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A limit on campaign spending — who will benefit?

VIC FINGERHUT

In recent months, the movement to "reform" present campaign-spending laws has gained considerable momentum, and it is likely that some sort of campaign-spending limitation bill will emerge from Congress this year. What will be its impact?

Republicans traditionally outspend the Democrats; therefore, the conventional wisdom has been near-unanimous in concluding that almost any measure which serves to equalize, limit, or reduce campaign spending will invariably favor the Democrats. It is indeed a fact that in most recent presidential elections, the GOP outspent the Democrats by substantial margins. This tendency reached its highest point in the 1968 presidential contest, during which Committees for Nixon-Agnew reported spending a total of $29.6 million—more than double the $12.6 million spent for Humphrey-Muskie. It is also true that Republican congressmen have shown far less enthusiasm, to put it mildly, for the passage of any law that limits campaign expenditures. The situation would seem to be transparently clear. There is no doubt that many Republicans *think* they will be hurt by the kind of legislation that has been proposed, just as many Democrats think *they* will benefit. But both are probably wrong.

The first question to ask is: Does the massive GOP campaign-

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spending advantage produce a distinct pattern of voter shifts toward Republican candidates in the course of election campaigns, particularly in the period between the conventions and election day, when campaign spending reaches its highest level? The answer is easy. No, it does not.

The two most massive shifts in voter intentions recorded during recent American presidential campaigns occurred in 1948 and 1968—and both shifts favored the Democrats. The only other recent American presidential contest in which the campaign period proved decisive—that is, in which the front-runners changed positions at any time between convention and election day—was in 1960. This shift in voter preference resulted in the election of John F. Kennedy.

Thus, *in the only three election contests in the past 30 years in which the period between the conventions and election—the period of the most intense campaigning and highest spending—has produced significant shifts in the voting intentions of Americans, the Democrats benefited.* Particularly striking is 1968, when there was a huge eight-million-vote shift to Humphrey during the campaign—simultaneously with the most lopsided GOP spending advantage on record.

Rallying the partisans

In other words, the only significant shifts of voter preferences, during the last six presidential campaigns, favored the Democrats. Nor is this in any way as paradoxical as it seems. Pollsters and voter-behavior specialists have long noted that election contests are not exercises in conversion; rather, when they have any effect at all, election campaigns serve primarily to "rally the partisans" of both parties. Thus, Humphrey's gains in the final month of the 1968 campaign came almost entirely from the ranks of self-identified Democrats. Similarly, post-election surveys of the 1948 Truman election indicated that the last minute surge of support for Truman took place almost entirely among Democrats, or persons who had voted for FDR four years earlier. It was precisely because the leading pollsters underestimated the strength of this Democratic rally that they were so wrong in their predictions.

This "rallying of the partisans" during election campaigns is not limited to Democrats; it occurs among GOP voters also. However, its net impact strongly favors the Democrats because there are many more Democrats in this country than Republicans. This latter fact,

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the persistence of the country's Democratic majority, is of the utmost significance if the impact of the proposed campaign-spending limitation is to be meaningfully assessed.

Despite all the talk about "emerging Republican majorities" and "real majorities," etc., the central political fact of our time is the persistence of the strong plurality of Democrats among the American electorate.[1] This is confirmed by the most recent national surveys of the political party identifications of Americans, including the Gallup survey taken immediately *after* the 1970 congressional elections. According to this survey, Americans identified themselves as follows: Democrats—45 per cent; Republicans—29 per cent; and Independents—26 per cent. This 16 percentage point Democratic lead in party affiliation represents approximately the same margin which existed in 1960; more significantly, it represents a four percentage point gain over the 12-point Democratic margin prevailing in 1950.

Shift in Presidential Approval Ratings (Gallup) Early October to Mid-November 1970

Among Republicans	*Approve*	*Disapprove*	*Net Approval (+) or Disapproval (−) Level*
Early October	82	10	+72
Mid-November	85	8	+77
		NET CHANGE	+ 5

Among Democrats	*Approve*	*Disapprove*	*Net Approval (+) or Disapproval (−) Level*
Early October	44	39	+ 5
Mid-November	40	44	− 4
		NET CHANGE	− 9

One-Month Presidential Approval Gains (or Losses) in Terms of the Number of Eligible Voters.

Gain among Republicans	+ 1.7 million
Loss among Democrats	— 4.8 million
NET CHANGE	— 3.1 million

[1] A point effectively made, particularly with respect to findings up through 1968, in the Spring, 1971 issue of *The Public Interest*. "A New Party Realignment?" by E. C. Ladd, Jr., C. Hadley and L. King, pp. 46-63.

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It was precisely the persistence of the enduring Democratic majority which motivated the sharp frontal assaults on the Democratic Party by the GOP in the 1970 congressional campaign, a campaign avowedly aimed at dissipating the 35-year-old Democratic majority. But, curiously, Nixon's own direct political intervention provoked a rallying along the very party lines he was trying to reshape. This sad fact was brought home to the GOP in two Gallup polls of the public's approval of the President; one taken in mid-October, prior to his active participation in the campaign, the second taken in mid-November shortly after the President's dramatic last minute intervention. This polarization of the electorate along party lines was also reflected in the presidential trial heats recorded by Lou Harris during the same period, with equally negative effects for the minority GOP.

In September 1970, prior to Nixon's strong campaign intervention, Nixon ran even in public opinion polls with the leading Democratic contender, Senator Edmund Muskie, at 43 per cent each. The first poll *following* the President's polarizing intervention showed Muskie leading by a full six points, 46-40. As expected, Muskie's gains came heavily from among self-identified Democrats.

Interestingly, this erosion in approval ratings for the President among Democratic voters, activated by Nixon's 1970 campaign intervention, continued unabated into the spring of 1971, despite the President's pronounced effort to defuse the party line polarization of the electorate by rapidly adopting a stance of non-partisanship. A well-known Democrat, John Connally, was appointed to the important Treasury position in the Cabinet, and administration rhetoric began to emphasize the theme of "rising above politics," particularly partisan politics. Refrains of this theme were liberally sounded at the recent ecumenical opening of the LBJ Library in Austin, at which the President repeatedly enunciated the view that "we must seek a politics of principle, not party."

According to recent Gallup and Harris findings, the sustained post-election administration effort has finally succeeded in arresting the polarization of the electorate along established party lines which the President himself personally triggered during the final weeks of the 1970 congressional campaign. However, halting this unfavorable trend required several months during which approval ratings among Democratic voters for Nixon's performance as President declined sharply; from a net plus (+) five per cent in early October to a minus (—) 14 per cent rating in mid-February 1971, according to Gallup. Numerically, this represented a shift of over 10 million

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Democrats away from the President in less than four months; more than adequate incentive, one would think, for the President's public adoption of a posture of non-partisanship.

In any case, the 1970-71 experience makes it evident that the rallying-of-the-partisans aspect of political campaigns is not limited to presidential contests, but emerges in off-year elections as well.

Speeding up elections

These two factors—the persisting Democratic majority and the tendency of election campaigns to return voters to their traditional fold—have obvious and direct links to the likely impact of any proposed campaign-spending "reform."

First, any overall upper limit in allowable campaign spending may well serve effectively to shorten campaign periods by forcing parties to marshal their resources more carefully and thereby to hold back spending until later in the campaign period. Because it is precisely the period between the ending of the conventions and election day in which the rallying of the partisans occurs, any effective shortening of the campaign period would work against the majority party, that is, the Democrats.

There seems little doubt, for example, that had the 1948 election taken place in early October, Thomas Dewey would have been the 34th President of the United States. Similarly, whether one takes the Harris or Gallup figures, an election held in early October 1968 would have seen Hubert Humphrey carry no more than four or five states.

It is evident that the optimum election day for the Republicans is as soon after the nominating convention as possible. Time, which allows the rallying of the partisans, can only work against the GOP. Conversely, stretching out the campaign period tends to help the Democrats, when it helps anyone.

Voter turnout

In addition, there is an equally crucial factor—namely the very nature of the Democratic majority itself—which points to a Democratic disadvantage in any attempt to impose a limitation on campaign spending.

Despite Vice-President Agnew's spirited attempt to pin the "elitist" tag on the Democratic party, the fact remains that, as one descends the income, educational and status ladder of American society, one

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finds a higher proportion of Democratic voters. A climb up the ladder yields increasing proportions of Republican voters.

Characteristically, in 1968, as in every other presidential election in the past 30 years, the Republican presidential candidate received his lowest levels of support from voters having only grade school education (33 per cent), while he obtained his strongest support from persons who had attended or graduated college (54 per cent). The support pattern for Humphrey was exactly the reverse.

Of central importance here is the fact that *turnout on election day* is significantly influenced by income and education. As a result, the Democrats, although a majority, find themselves with a higher percentage of supporters who are more difficult to motivate and get to the polls than the Republicans.

A particularly striking illustration of the importance of these differing interest and participation levels emerged in the 1968 election. Surprising as it may seem, all the leading polls taken on the eve of the 1968 presidential election found a measurable plurality of the eligible adult voters in the United States favoring Humphrey over Nixon. Margins for Humphrey ran upwards of five to six per cent. However, because the leading pollsters base election predictions, not on the preferences of all eligible voters, but only on the basis of those likely to vote, both Gallup and Lou Harris accurately predicted a tight outcome, with not more than one or two percentage points separating the two principal candidates. Gallup, in fact, called the outcome right on the nose.

Both Gallup and Harris were able to arrive at near-perfect final predictions by "writing off" several points of the Humphrey lead which their raw data actually found in the population. They were able to do this confidently, on the basis of the simple but enduring premise that several sizable categories of Democratic voters cast their ballots with considerably less regularity than their Republican counterparts.

These same income and educational characteristics of the average GOP voter, which yield higher election-day turnout, also produce a GOP voter who is generally far less dependent on campaign fanfare to have his political interest stimulated and who can be counted on to get to the polls largely under his own steam. Repeated national surveys, for example, emphasize that substantially more Republicans than Democrats have, not only selected their candidates, but also firmly decided to vote by the time of the national party conventions. Conversely, a decent turnout of Democratic voters requires considerably more exertion. The stimulation provided by election campaigns,

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including media activity, is crucially important in arousing the large, slumbering Democratic majority.

While even unlimited campaign funds would never increase Democratic voting turnout to GOP levels, ceilings on campaign spending which reduced campaign period activity and voter stimulation could be expected to further widen, rather than diminish, the gap between Republican and Democratic turnout.

The marginal dollar

The dynamic features of the campaign process as well as the contrasting nature of the two major political parties have all strongly suggested that longer campaigns, involving greater voter stimulation, tend to benefit the Democrats. It is these features which make it possible for the Democrats to gain votes, while being massively outspent by the GOP. And it would seem to follow that even modest reductions in campaign spending may well result in more lost Democratic than Republican votes—even though the GOP suffered sharper spending reductions in strictly dollar terms.

Our friends, the economists, have devised a useful way of thinking about problems of this sort, to which they have attached the somewhat formidable term of "marginality." In practical political terms, the idea of "marginality" directs our attention to the number of votes which a particular party loses or gains by a given (marginal) decrease or increase in campaign spending. Thinking in terms of marginality enables us to ask the truly significant question about the proposed campaign-spending measures: Not *who would lose more dollars*, but *who would lose more votes?*

It remains a curious fact that, with a few notable exceptions, the hearings on campaign-spending limitations thus far have given only slight attention to evaluating the proposed spending ceilings in these terms. One exception, however, was Herbert G. Alexander, Director of the Citizens' Research Foundation and perhaps the nation's leading expert on campaign spending. Testifying before the Senate Commerce Committee earlier this year, Alexander strongly questioned the supposedly great benefits the GOP derives from its spectacular spending, observing that "common sense dictates that only marginal benefits can be derived from unlimited spending." Alexander went on to express the view that "in any campaign there are saturation levels and a point where spending no longer pays off in votes per dollar."

Recent campaign evidence, particularly 1968 and 1970, strongly

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suggests that GOP spending has indeed entered the realm of sharply limited vote returns for each additional dollar spent. Conversely, and this is crucial, the patterns of voter shifts during campaign periods strongly indicate that Democratic Party spending still occupies a comfortable and fertile range where additional campaign dollars produce significant payoffs in added votes.

A brief consideration of the 1968 election in terms of votes *and* dollars provides an interesting illustration of this.

Imagine, if you will, a 1968 presidential campaign in which Humphrey's campaign spending was reduced by $4 million, and the Nixon-Agnew spending reduced by more than twice that amount, say, $9-$10 million. Such figures closely approximate the dollar spending of the Democrats and Republicans during the final two weeks of the campaign. We thus have a rough mock-up of the campaign abbreviated by two weeks worth of spending.

It seems clear that Humphrey, rather than Nixon, would have been the net loser of such a modified campaign, even though GOP spending would have been slashed by a considerably greater amount in strictly dollar terms. Indeed, Humphrey gained over 3½ million votes in the final two weeks of the campaign, while the massive $9-$10 million of Republican spending enabled the GOP presidential ticket to barely hold at its previous levels. One might also reflect that upwards of $25 million of GOP spending between August 1968 and election day could not boost Nixon's standing in the polls beyond what he held on the final day of the Republican convention.

Economists would say that the 1968 experience simply demonstrated anew that Democratic spending operates at considerably higher "marginal payoff levels" than GOP spending. The reasons for the higher marginal payoff of Democratic spending are not at all mystical, but are directly traceable to all the forces we have been talking about: the nature of the campaign process, the rallying of the partisans, and the arousal of the normally more lethargic Democratic majority.

As a result, assessments of campaign-spending limitations calculated only in terms of the dollars lost by each party—the prime yardstick of the conventional wisdom—are seriously misleading.

Restraints or subsidies?

Probing the largely unexplored and faulty premises of the conventional wisdom on campaign spending is not meant to imply

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that retention of the status quo represents the best of all possible worlds for the Democrats. The Democrats would certainly benefit from having more money to spend, regardless of how much the Republicans spent. Thus, any legislation which eases or cheapens candidate access to the mass media, encourages a broadening of the base of campaign contributions, or in any other way subsidizes partisan campaigning would generally favor the Democrats.

Joseph Califano, general counsel to the Democratic National Committee, was pursuing this objective in his March testimony before the Senate Commerce Committee when he called for federal government subsidies for both presidential and congressional level campaigns. Califano expressed the view that this might be accomplished by a tax check-off plan, a federal drawing account, or by an outright appropriation.

Pressing for some form of campaign subsidization or a tax write-off program is undeniably a rational and productive approach for the Democrats. However, if the Democrats fail to achieve greater spending parity through subsidy or more broad-based giving, it would seem to be the better part of Democratic wisdom to be extremely cautious about reversing field completely and seeking equalization through enforced spending limits.

Campaign spending and private interests

There is one matter which is deserving of some mention, however brief, because it bears closely upon the thinking underlying the conventional wisdom on campaign-spending reform. This relates to the impact of spending limitations on the balance between public-oriented and private interests in American politics.

American political parties have many shortcomings, and these have been profusely detailed in recent years by countless academics, journalists, radicals, "good government" reformers, northern liberals, southern conservatives, young people, and, of course, unsuccessful party insurgents. However, when all is said and done, our political parties remain the most effective instrument for the translation into the law of the popular interest, most broadly conceived. Nearly all major reform measures in our society benefitting large numbers of people, have been enacted under the aegis of political parties and their leadership. In almost all cases, such measures were put through in the face of sustained and bitter opposition from strong private interests in our society.

This pattern of party-led reform undertaken in the interests, not

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of the privileged few, but of the large majority, is not peculiar to the American system. It is characteristic of economic and social reform in the democracies of Western Europe as well. Indeed, operative popular democracy anywhere (outside the smallest communities) in the absence of at least reasonably strong political parties is not only without historical precedent; it is nearly impossible to conceive.

An important underlying theme of campaign-spending reformers, particularly such non-party reformers as Russell Hemenway of the National Committee for an Effective Congress, has been the notion that spending ceilings on candidates for public office will remove the "undue influence" of many private and special interests who often end up as the major donors to political campaigns. From a narrow vantage point, Hemenway and others are undoubtedly correct. However, from a broader perspective, campaign-spending limitations have a reverse effect. Limitations on political party activities, particularly as they limit access to the costly mass media, which are not balanced by similar restraints on the large private interests in our society, can only further weaken the public interest component in the policy-making process.

Thus, the proposed spending limits will restrict and limit the expression and dissemination of the views on matters of public policy of both party spokesmen and candidates for public office. However, no similar restrictions will be placed, for example, on major oil companies, which will remain free to saturate television with commercials persuading the public of the necessity for a pipeline development project, or advertising their commitment to fighting pollution. The major auto manufacturers will still be able to buy commercial time to "steer the public straight" on the entire matter of auto safety. Even the drug companies will be allowed to spend freely to convince us that drug prices are fair and reasonable, particularly given cost considerations.

In short, unless one can conjure up a mystical belief in some sort of "countervailing power" by which these competing private interests will somehow cancel each other out in the public interest, spending limits applied exclusively to candidates for public office will further tilt the public/private balance in the direction of the large private interests.

Certainly both congressional liberals and "good government" reformers like Hemenway would be aghast at this outcome of their reform efforts. However, American politics is flooded with cases in which adherence to the unexamined dictates of a doubtful conventional wisdom has produced unanticipated and unwanted con-

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sequences. At the turn of the century, "good government" reformers were so successful in taking certain municipal functions "out of politics" that today many of the nation's leading cities are virtually ungovernable as the result of political and structural fragmentation. Similarly, rigid GOP adherence to the conventional wisdom on balanced budgets in the 1950's not only contributed to three major recessions in less than a decade, but in 1958 produced the largest peacetime budget deficit to that date in our nation's history.

It would be ironic, but not at all unprecedented, for a liberal reform of campaign expenditures to weaken the party which has primarily represented the impulse to liberal reform.

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The city as sandbox

GEORGE STERNLIEB

How is one to write about a Newark or a Youngstown? All the adjectives have been used up, as have all the warnings of disaster and dire happenings in the streets if "they" don't come across, all the stories of soaring syphilis rates, TB gone uncared for, children made vegetables by lead poisoning, rats running rampant, high infant mortality, increasing numbers of unwed mothers, schools and hospitals and garbage departments that don't work, or won't, etc. The cries of "wolf" have become so plentiful that we no longer listen and may even have begun to lose our fear of the beast itself. Yet there is something to be learned from a reshuffling of these dying embers of old rhetorical fires. For the Newarks of America are a foretaste of things to come, and if we want to understand the probable future that faces many of our older cities, then we will first have to get clear on what is happening—has already happened—in a place like Newark.

The bitterness of political conflict in such cities, and the intensity of their citizens' demand for an expansion of public services and public funding, provide a major clue. Of all the things people are prepared to fight over, their property interests are perhaps the most important, or at any rate the first; and of all a man's property interests, that in his job is usually the most important. Especially in

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cities like Newark, where the public sector has grown immensely while the private sector has decreased, the property interest which people possess—or seek—in their jobs gives local politics a peculiar importance. At one level, of course, such politics is precisely what it appears to be—an effort to promote the public interest. Thus, a housing program is an effort to provide housing for the poor; school reform aims at improving the achievement of pupils; a health program may be measured by its effect in raising the level of health and care. But beneath this there is another level of reality—that of who gets the action. Who will get (or keep) the job, the patronage? Who is going to build the new school? Who is going to make those sandwiches for the lunch program? Who is going to give out the contracts? As the size of the public sector grows, such questions become increasingly important and therefore increasingly divisive, for they engage the property interests of more and more people. Why should there be a fight for community control in Ocean Hill-Brownsville or Newark? There are many reasons, but one of the simplest and most important is that, for more and more people, new government programs are the only game in town; there is little else worth fighting for. Thus, for those who remain in the central city, fighting for such new programs is the only realistic response to the economic sterility of their environment.

Exploited—or merely defunct?

It is often said that our older central cities are essentially colonies —areas rich in resources which are systematically exploited by the suburban hinterlands. The residents of the latter drive into the city in the morning, use its services all day, and then creep out at night, taking with them much of the city's income and wealth. In one or another variant, this is the vision subscribed to by most city leaders, and they find it a satisfying one. For it implies that the Golden Return is at hand if only the city is given justice. The city's lack of such equity, which creates all its problems, is the result of a short-sighted plot by "outside" interests. Let there be a reallocation of wealth, and all will be well again.

The only problem with this notion is that it is untrue. The size of the constituency which lives outside the cities but still wants to preserve them at any cost grows smaller day by day. It is not exploitation that the core areas must fear; it is indifference and abandonment. The crisis of the cities is a crisis of function. *The major problem of the core areas of our cities is simply their lack of economic value.*

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For a long time, the principal role of our inner cities was as a staging area for the floods of immigrants who came from Europe and elsewhere. Cities provided jobs, schools, and an infrastructure which helped earlier groups of immigrants move upward and outward. Although each of these groups left a residue of those who didn't make it, on the whole the city was an extremely successful processing center. Now that these great migrant flows have been reduced to a comparative trickle, the city has lost its *raison d'être*. Formerly the focal point for cheap labor, uniquely amassable there in great volume, it now finds that competition from welfare payments keeps its labor far from cheap and that its traditional jobs have been taken over by Puerto Rico, Formosa, Hong Kong, Singapore, and the like. As its current group of immigrants begins to make it, they too are moving out; but because no new groups are moving in, the city emigrés leave behind a vacuum.

America's major cities are unique in that *they are losing population*. Everywhere else—in Moscow or Buenos Aires or Calcutta—the flow of the agrarian poor off the land to the big city is at its flood stage. We have already gone through that phase; we are now on uncharted territory. To be sure, the Puerto Rican migration may from time to time increase, depending on relative economic conditions, and small pockets of surplus population remain in the south. But for the most part, large-scale immigration to the city is a thing of the past, and much of the migration which does take place bypasses the older population centers for more promising areas.

The absence of replacements for the new emigrés from the city means that some of the first rungs in the nation's traditional ladder of upward mobility have been eliminated. The consequences of this development are already making themselves felt. One of the most common ways for earlier immigrant groups to accumulate capital was as slum landlords. They bought, as they could afford to buy, only the poorest and weakest of structures, which they would rent, at whatever they could get, to their immigrant successors. By trading up the real estate ladder to bigger and better properties, these slumlords became prominent sources of capital for the business-oriented among their own ethnic group. But today, there is no new immigrant group to exploit. Slum tenement ownership has become a dead end, instead of an avenue to wealth—a fact symbolized by the abandoned slum dwelling.

Another way for earlier ethnic groups to move upward and outward was the exploitation of their own countrymen. Members of the immigrant group could rise as brokers between their ethnic

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labor pool and the external economy. If one wanted to build a sidewalk a generation or two ago, the cheapest labor available was Italian. Because the people who wanted sidewalks built rarely spoke Italian themselves, they dealt with bilingual Italian brokers, who would assemble and supervise the strong backs that were needed for the job. That was the stuff general contractors were made of. Or, to take another case, two generations ago the cheapest needle workers available were non-English-speaking Jews. Their labor was exploited by Jewish sweatshop owners, who served as go-betweens with the department stores of Grand Street. Of course the needle workers themselves had no chance to become rich; but the go-betweens did.

The need for strong backs and 15-hour-a-day sweated labor has been reduced to almost nothing by the transportation revolution, which has had the effect of homogenizing time and distance. Much of our labor-intensive work is now imported from abroad. Welfare legislation, minimum wages, maximum work hours, and the like have minimized the economic function of the conglomerations of poor-but-willing people in our cities. Similarly, the goad of hunger has been mitigated by the rising level of welfare payments. In Newark a woman with three children lives very badly on welfare payments, but these nevertheless average somewhere around $300 to $350 per month. To live at the same level, a man with a wife and three children would have to make about $5,500 a year. For unskilled labor, that sort of money just isn't available.

A new "function"

Given that the older central cities have lost their capacity to serve as effective staging areas for newcomers, the question inevitably poses itself: What *is* the function of these cities? Permit me to suggest that it has become essentially that of a sandbox.

A sandbox is a place where adults park their children in order to converse, play, or work with a minimum of interference. The adults, having found a distraction for the children, can get on with the serious things of life. There is some reward for the children in all this. The sandbox is given to them as their own turf. Occasionally, fresh sand or toys are put in the sandbox, along with an implicit admonition that these things are furnished to minimize the level of noise and nuisance. If the children do become noisy and distract their parents, fresh toys may be brought. If the occupants of the sandbox choose up sides and start bashing each other over the

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head, the adults will come running, smack the juniors more or less indiscriminately, calm things down, and then, perhaps, in an act of semi-contrition, bring fresh sand and fresh toys, pat the occupants of the sandbox on the head, and disappear once again into their adult involvements and pursuits.

That is what the city has become—a sandbox. Government programs in the core city have increasingly taken on this cast. A glance at Sar Levitan's *The Great Society's Poor Law,* or the Marris and Rein work, or for that matter Tom Wolfe's *Mau-Mauing the Flack Catchers* is enough to make clear the lack of effective flow of much poverty money to its ostensible targets. Instead, this money has been used to create a growing bureaucracy which is sustained by the plight of the poor, the threat of the poor, the misery of the poor, but which yields little in the way of loaves and fishes to the poor. This is the height of sandboxism. When old programs begin to lose their credibility or become unfashionable, they are given new names—therefore, they are new programs. The act of repackaging or relabelling is equated with creativity.

This is not to belittle the importance of government programs. They do have trickle-down effects; they are creating, if not efficiently then certainly in bulk, some measure of leadership, and this leadership is highly cynical about the nature of the faucet from whence all goodies flow and, possibly as a result, is increasingly effective. Perhaps most significantly, these programs have become forms of symbolic action. In their ritualistic aspects they are of particular value. They give psychic satisfaction to the patrons of the poor, convince outsiders—especially the media—that "something is being done," and indicate to the urban poor that some one up there really cares. In a word, these programs are placebos, and they often produce all the authentic, positive results which placebos can have in medical practice. One of the greatest shortcomings of the present administration in Washington is its failure to recognize the salutary placebo-effects of social programs. The failure has been not so much in what it has done, as in what it has called what it has done—not so much in the substance of its programs, as in its rejection of the gamesmanship which does not merely accompany programs but is central to them.

The fact that so many programs are of only symbolic value is the result, not of Machiavellian scheming, but of simple incapacity. If the 1960's demonstrated anything, it was that the social sciences had not yet arrived at the point of being able to design programs that could be counted on actually to accomplish what they were

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supposed to accomplish. It is true that social scientists themselves were often quick to recognize the failure of a given program and would attempt to design a better one in light of that failure. But the new programs usually did not arise from any strong theory or experimentation; they were rather the complements of past failure. One simply took apparently salient parameters of the failed program and reversed them. The façade of intellectual rationalization was produced *post hoc*. Schools don't work because classes are too large and lack the personal touch? Make classes smaller. If smaller classes don't work, what is left? Ah! Skin color, the teacher's doesn't match that of the student; change the skin color. That doesn't seem to be working as well as one would have anticipated? It must be the supervisor's color—paint principal black. Principal black doesn't seem to provide the answer? Paint the board of education an appropriate hue. And when this entire mountain of strategems brings forth nothing but mice, bring the parents in. Parents don't want to come in? Pay them, we'll call them paraprofessionals. And so it has gone. The rationalizers of these programs dutifully turn out Ph.D. theses and proposals without end to justify the programs.

In this kind of "social science," anecdotal accounts began to pass as consequential theories and models for the design of new institutions. A typical specimen of the genus is the account of how I, a young draft dodger, full of beans and aware of the fact that I wasn't going to spend my career there, came into a class of young sullens; in six months they loved me. This sort of recital became dignified both as an indictment of the flywheels of our institutions and also possibly as a model for new educational institutions of the future. The former may well have validity, but the latter defies rationality. The wonder is not the existence of a number of these anecdotal descriptions, but rather the childlike acceptance of them as a vision of a future that can be reproduced on a scale commensurate with the number of children and situations involved. The sordid fact that they enjoy such acceptance is but another indication of the extent to which we have begun to escape into fantasy.

The future of the central city

Jobs are leaving the central city. Except for insurance companies, banks, and other institutions which juridically find it difficult to leave, business institutions are virtually deserting the central cities. All major department store chains now do the bulk of their business in the suburbs; the efforts of urban renewal to retain major

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retail facilities in the core areas have died and are mourned by few. Smaller retailers in secondary urban shopping areas on the "trolley car streets" are also leaving or going out of business. The old mom and pop stores, candy stores, grocery stores on every block, fish stores, neighborhood bakeries, etc., are things of the far past. There has also been a flight of professionals. In the last ten years, Newark has lost half its physicians, and many of those who remain have one foot in the suburbs and are just waiting for their practices to take hold before moving out. As for cultural activities, it is the first-run movie theaters rather than opera houses or symphony halls which have been of especially great economic importance to the vitality of the core city. In Newark, *there is not a single first-run theater left in the entire city of 400,000,* while in the suburbs one of the most desirable pieces of realty available is a site for a movie theater and shopping center. True, the museum and public library still exist downtown, but their wealthy patrons become fewer, galleries must be closed off for lack of money to pay guards, and book acquisition budgets and opening hours must be reduced as the city's budget crisis makes its impact felt.

Meanwhile, the suburbs have achieved critical mass, a scale of population and buying power which permits them to sustain amenities of a type and at a level which once only the central city was capable of sustaining. The shopping center which had at best a single department store branch now has three and soon will have four. The suburban music calendar is evolving from a marginal summer collection of odds and ends to a year-round independent activity. Small suburban hospitals have grown to thousand-bed monsters which can supply all the services and specialists available in the biggest central-city hospitals.

Who is left in the central city? Ride down the Central Avenues and Main Streets of our older cities and you will see that the new tenants are offshoots of the poverty program: pseudo-training programs for the poor, enlarged offices of the Welfare Department, and the like. These are the focal points of the new central-city entrepreneurs, the people who, in the absence of a booming private economy, are trying to make it with government money. The predominance of these public-sector entrepreneurs is an index of the degree to which the central city—its inhabitants' training irrelevant to the needs of the larger society—has become a forgotten back alley in a nation whose principal business still is business.

This process of the "defunctioning" of the central city would have occurred even if there had not been a problem of race. It would

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have been considerably slower in that case, and the capacity of society to adjust to it would have been greater, for the pace of change in our central cities has unquestionably been speeded up by racial tensions and fears. But serious though that cost has been, perhaps the greatest cost of the race factor is that it has obscured the real nature of what is going on in the central city. Even if there were no racial difference in our society, there would probably still be as many people on welfare and as many under- or unemployed, and they would still be unwelcome among their more affluent fellow citizens.

What, then, of the future? The first point to be made is that there is no going back in time. The city as we have known it, and the forms of economic and social organization which characterized it, are simply irrecoverable. The folkways of our society have changed; they have also become homogeneous and monolithically dominant as no fashion has ever before been. The thin mist of eloquence emanating from upper-middle-class occupants of high-rise apartments cannot hide the fact that the dominant ethos today is a suburban one. It is as pervasive among minority groups as it is in the society as a whole. Thus, if we define the problems of the city as the gap between the reality of the cities as they exist today and a romanticized fantasy of cities as they used to be—as the economic center of the nation, as the font of civility and graciousness, as the source of everything that warms the hearts of social critics—then those problems are simply unsolvable and always will be unsolvable, at least for many of our older central cities.

Yet there is another way of defining the problems of the cities that does permit some real choice: Are they to become sandboxes entirely, or will we permit them to regain some useful economic function? Shall we optimize the machine, maximize capital investment and capital returns at the cost of human involvement, and then take the largesse so provided and redistribute it in the form of welfare or subsidized, irrelevant, unproductive make-work? Or should we reject the sandbox on the ground that useful, productive work is essential to human well-being, and design our policies to insure that everyone has an opportunity for such work, even if this involves cost to overall economic growth and wealth?

The plight of the inhabitants of our central cities, and the strategy we seem to be adopting to meet that plight, indicate that we are opting for the sandbox. What this will mean for our society in the future we do not fully know; but that the consequences are likely to be cruel and disagreeable has become only too clear.

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The city as reservation

NORTON E. LONG

MAX WEBER said that when the city lost its walls, the city ceased to be. With this characteristic exaggeration, Weber pointed to what he took to be the central meaning of the city. It was a bounded association, literally enclosed by walls that clearly marked it off from the outside society. Within these walls it had a life in common and a shared common purpose. Its leaders could command the loyalty of citizens who saw in the city a means of their common defense and sustenance. The medieval and early modern city had liberties that entitled it to a substantial measure of self-government and freedom. "Stadt Luft macht frei" (city air confers liberty). This power of self-direction was at the core of a home rule whose vigorous and public-spirited exercise seems worlds apart from the present anemic meaning of the term.

It was the historic function of the modern nation-state to batter down the city's walls and open it to the free play of the forces of the national market. State and national citizens came to be accorded near equality with local citizens. Whether it was in the pursuit of business, the enjoyment of local amenities, or even the receipt of welfare, local citizenship gave scant or no advantage. The cash surrender value of local citizenship was reduced to nil for all but a few protected trades, professions, and institutions. This raised the

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question of what point there was to belonging to an organization—the city—that anyone could join but that nobody need join to enjoy its privileges. It was predictable that, save for an occasional sentimentalist and the few still enjoying local protection, local loyalty would be weak at best. Such a loyalty might be enough if the tasks confronting the city exacted little from its citizenry. But if faced by any serious burdens, citizens could be expected to solve their problems individually by voting with their feet rather than collectively and politically through the ballot.

Citizenship as a consumer good

The ethos of national market capitalism thus tended to transform local citizenship into a species of real estate consumerism. Citizens transferred their allegiance from one residential subdivision to another, much as they shifted their trade from store to store or motel to motel. In a celebrated article, Vincent Ostrom, Charles Thiebout, and Robert Warren praised the metropolitan area as a richly varied market of land uses in which the citizen consumer could take his pick. Rather than seeing the metropolitan area as a politically fragmented social and economic whole, seriously in need of a common government, they preferred to view the fragmentation as an array of choices beneficently governed by the natural forces of the market.

The economism of this concept has until recently been the prevailing view. From Mill's *Representative Government* to the latest text, local government has been a minor affair of housekeeping services, in which economy, efficiency, and honesty were the main issues. Politics in the major case was an affair for the nation-state; local government was considered a species of business to be run like any other business and to be regulated by the forces of the national market. It was largely taken for granted that the results of the national market would be homeostatic and beneficent. When they ceased to be so, with the Great Depression, it was the macro-Keynesianism of national economic policy that was supposed to correct market failings. As Robert Wood pointed out in his study of the governments in metropolitan New York, local governments adapt to market forces, they do not adapt these forces to purposes of their own.

Students of metropolitan areas have long bemoaned these areas' lack of common governments and their resulting inability to plan to meet common physical problems of transport, sewerage, water,

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and resource management. Piecemeal improvisation has seemed inelegant and wasteful. Yet as Charles Haar and his associates acknowledge in their study of metropolitan planning, though the absence of such planning may have been an inconvenience, it has not yet occasioned real, serious difficulty. Indeed, students like Morton Grodzins and Edward Banfield have felt that the necessity to bargain across municipal boundaries has been a positive good in the management of conflict such as that between the races.

A more serious criticism of metropolitan fragmentation is that made by Robert Wood: It segregates resources from needs. For some time, the problems of the central city have been seen in these terms, as the result of suburbanization. When Bryce wrote his *American Commonwealth,* he already spoke of social absenteeism as a cause of America's most notable failure, its cities. Sam Bass Warner has recounted the rise of the streetcar suburb, an early indication of the city's vulnerability to changing transport technology. With the Vernon studies of New York, the revolutionary impact of the truck and auto on land values and settlement patterns received general recognition. Suburbanization of residences, businesses, stores, and jobs, held in check by the depression and then the war, gathered irresistible momentum. The shakeout of the social classes, the erosion of the central city's economy, and the downward homogenization of the city's population seemed to be practically irreversible.

This process has been modeled by Jay Forrester in his *Urban Dynamics,* which, starting with empty land, describes a scenario of urban development whose logic leads from the presence of new industry, new housing, managers, professionals, and employed workers, to a situation characterized by mature and declining industry, a preponderance of underemployed and unemployed workers, and aged and blighted housing. The special virtue of Forrester's model is that it concentrates on the viability of the local economy as an autarky, and on its capacity to generate local jobs and local incomes sufficient to support the local people and their government. According to this model, the current predicament of the cities is the result of their own policies, especially those which are designed to ameliorate the condition of the poor but, instead, worsen it by increasing unemployment and dependency, encouraging the departure of the more productive sector of the local economy, and eventually segregating the poor from the growing and productive sector of the society. As Forrester sees the matter, these policies represent well-

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intentioned but misguided efforts by democratic politicians to meet the needs of the unfortunate. In part, this is surely right. But Forrester's mentor, former Mayor Collins of Boston, could have told him of other sorts of policies, enacted out of other motivations, whose burdens also speed the departure of businesses and persons to the suburbs. Welfare is neither the only nor the greatest of the costs that afflict the central city. Other costs and policies, deriving from less noble motives and serving less noble ends, have done far more to bring the city to its current predicament. Of these, none is more important than the growing demoralization of the city's employee unions and service bureaucracies.

An excess of appetite?

In a classic article, William Baumol warned that cities whose expenditures concentrate in the services (police, education, health, and the like), where there is little or no expectation of increased productivity, face a staggering increase in labor costs. Municipal wages are set according to the rates for equivalent work in the private sector. But whereas wage increases in the private sector can at least partially reflect, and be partially offset by, productivity increases, there is no such justification for the increases which inevitably follow in the public sector. Even so, municipal employees consider their wage demands modest and reasonable. Shouldn't teachers be paid as much as truck drivers? Members of Victor Gotbaum's District Council 37 (American Federation of State, County & Municipal Employees), of whom 35 per cent are Negroes and Puerto Ricans, do the dirty work of New York City—cleaning zoo cages, emptying bed pans, manning the sewers—for a median wage of $7,500, which is well below the income required for a modest standard of decency for a family of four. Small wonder that *Newsweek* and Mayor Lindsay thought the union had a real issue. But given that the pension demands Lindsay acquiesced in would have burdened if not sunk his successor, it is no greater wonder that Governor Rockefeller and the state legislature were aghast.

The tragedy of these seemingly reasonable wage demands is that, in the face of little or no increase (and more than a suspicion of actual decline) in public-sector productivity, they can bankrupt the city. Indeed, they have already begun to do so. Over the last decade there has been a 54 per cent inflation of state and local government costs (compared to 23 per cent in the private sector), and a 72 per cent increase in general government employee compensation (as

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large as that in the inflationary construction industry). As Lyle Fitch, former city administrator of New York, notes:

> When city budgets attempt to rise, as New York City's has, from $3.4 billion in 1964-65 to $9.1 billion in 1971-72, there is bound to be great strain, even if New York is the nation's richest city and imposes every form of tax yet devised by the municipal imagination. And when the increase of expenditures is associated with 45 per cent to 80+ per cent increases in the average wages of major employee groups, a 113 per cent increase in pension requirements, and a lively suspicion of sinking productivity in many sectors, the fiscal mismatch takes on new perspectives.

In light of facts like these, the notion that it is a mismatch between local needs and local resources which has caused the cities' problems seems dubious indeed. As Fitch puts it, "*Mismatch* is hardly a suitable term for the relationship between a food supply which, even though substantial, is ultimately limited and a dinosaurian appetite which devours everything in sight and roars for more."

The situation of New York City, while extreme, is not atypical. The education function—often a city's most expensive—as a well-nigh unquestioned "merit good" has been allowed to go its merry way. In an article entitled "See, See the School. It is Broke," David Rosenbaum of the *New York Times* points out that "it is in the largest cities where the problem is most severe and where solutions seem the hardest to come by. From Boston to Seattle, big city school officials are nearly unanimous in forecasting disaster unless additional sources of revenue are found. School expenditure in most cities has doubled or even tripled over the last decade—in Baltimore it went from $57 million in 1961 to $184 million this year; in New Orleans from $28.5 million to $73.9 million. These increases reflect many factors—inflation, increased demand—but mostly they are due to the rapidly rising salaries of teachers. In St. Louis, for example, the average teacher's salary rose from $7,557 five years ago to $10,500 this year."

Expenditures like these would be more supportable if they were highly productive. But there is reason to doubt that they are. In the case of schools, for example, the educators' contention that educational quality (presumably an output) could be equated with teacher credentials, teacher salaries, classroom size, pupil-teacher ratio, and physical amenities was seriously called into question by the Coleman Report, which has been criticized but never refuted. Even more to the point is Ivar Berg's *Education and Jobs—The Great Training Robbery*, which offers considerable evidence for doubting that increased productivity is the efficient causal link in the oft-noted correlation between education and income. Rather he in-

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clines to the view that education is a credential cop-out by which employers and personnel men hide their failure to relate job requirements meaningfully to personnel selection.

As Lyle Fitch and Henry Cohen have pointed out, our cities are suffering from a growing disjunction between the requirements of cost-efficient production of desirable outputs and the system of actual incentives to which municipal bureaucracies, politicians, and city employee unions are responsive. Thus, Cohen speaks of "the growth of bureaucratic and professional systems which have become impervious to review and change, with the result that the public sector, more than the private, becomes increasingly unresponsive to consumer demand. . . ." Fitch notes that "elected officials, particularly legislators, tend to be more interested in inputs (expressed in jobs, franchises, and contracts) than in outputs—delivery of goods and services. *Dominance of input interests leads naturally to rising government costs and a decline and deterioration of government outputs.*" This syndrome could be neglected in the nightwatchman city of laissez-faire because of the relatively small scale of the public sector. But in the city of large-scale municipal state capitalism—in New York City, for example, nearly one person out of three is on the public payroll—the fact that government services are more and more costly but of less and less value becomes desperately important, as does the failure of citizenship which it bespeaks.

The calamity of public schooling

The city's major problem is the underemployment and unemployment of its inhabitants, particularly its youth. While many jobs have left the city for the suburbs, and the largest number of new jobs are in the outer ring, the relation of the total number of jobs in the city to its declining population is not badly out of line. What *is* out of line are the educational requirements of the remaining good jobs and the educational qualifications of most of the inhabitants still in the city. Here is the real urban mismatch. And here Ivar Berg's disquieting book is ultimately hopeful, for it shows that the "mismatch" may be the result of inflated educational job requirements rather than of any authentic, practical incapacity to perform actual jobs. Could people in the city be prepared for and permitted to fill the jobs still in the city, much of the problem would be solved.

Municipal and educational leadership does not, however, address itself to the achievement of this happy result. Instead, it continues

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to promote an educational system which was originally designed for the medieval clergy, children of English gentry, and German scientists, and has since been vulgarized and extended throughout the American democracy. The one-room schoolhouse, supplemented by vocational training on the family or neighbor's farm, has been replaced by an education that conspicuously and snobbishly avoids contact with the world of work. Where the old education provided a smooth transition from juvenile status to meaningful adult roles, the new has kept the young immured in the cotton wool of an unrelated and unreal world of education. Lacking meaningful roles in the adult world, youth has sought solace and escape in a counterculture which denies the values youth has not been permitted to share. Meanwhile, where education retains its earlier form, as with the Amish, a seventeen-year-old high school girl teaches at minimal cost what enormous sums fail to do elsewhere. Students who see in reading, writing, and arithmetic a meaningful preparation for adult roles to which they aspire, do learn. They do as well on standard tests as those in the best schools elsewhere.

The rediscovery of the importance of the world of work to give reality, control, and meaning to the world of education has been long in coming to the city. A serious and a sentimental objection to child labor, together with a union interest in protecting jobs, has played a part. A far larger part has been played by the dominance of a snobbish, anti-utilitarian, upper-class idea of education and by a democratic demand to generalize the conspicuous waste of upper-class education to the masses. Whatever value this "liberal" education may have had for the children of the middle class, it has been largely lost in its vulgarization. But along with the expansion of upper-class education to the masses there has come into being a new church and a new establishment, with all the sacral rituals and self-certification of the old. Its unproductive weight bids fair to press as heavily as did that of its medieval predecessor.

Education has become crucial for the central city for two reasons: First, because its credentials determine access to employment, and second, because it just might be made to provide students with real skills, which would in turn give the central city a valued and valuable labor force. Yet public education is achieving neither of these goals.

Christopher Jencks has expressed doubt that our educational system has ever earned high marks for achieving literacy. What it has done, he says, is to shape pupils up to the clock and to an acceptance of the situation and discipline of the classroom. In liberal and

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black militant circles, where docility is a dirty word, these are unfashionable accomplishments. Yet teachability and the capacity for disciplined behavior are prime requisites for employability and would be demanded by any employer, black or white. A school system which at great expense contrives to fail at achieving literacy in its pupils and sends them forth mindlessly rebellious and incapable of discipline is a parasitic cancer on the city.

Myopia about education

It is not only militant blacks who think the actual practice of central city schools educates not for employability but for unemployability. United States Commissioner of Education Sidney P. Marland has remarked that many school systems prepare neither for the job nor for college. To which some educators reply, "Only a philistine would claim that education should be other than for education's sake"—which amounts to saying that education should be for the educators rather than the pupils they process or the taxpayers who pick up the tab. An example of this kind of thinking occurred at a meeting in the office of the mayor of St. Louis, when a representative of the Missouri State Employment Service asked, "What do you do with kids who spit on the floor, fall asleep in the job interview, can't spell their own names or the name of the street on which they live, and can't find the place on a map where they are directed to seek work?" This question brought neither reply nor rebuttal from a representative of the St. Louis school system. Yet this system is given very high marks by the St. Louis *Post-Dispatch*.

The failure of the educational system to relate seriously and effectively to the employability of youth in the city is a disaster. The enormous and growing financial burden of public education could be cheerfully and hopefully borne if it were indeed a productive investment. But the disconnection of actual job requirements from the imposed educational requirements of employability has meant that the educational establishment has no incentive to train pupils to meet real job requirements. Education has thus turned out to be a counterproductive patent medicine, and its enormous expense has become a millstone round the city's neck.

Ivar Berg notes that the only institution that has seriously concerned itself with learning how to instruct city youth is the armed forces. The class-bound nature of the draft and the capable superstructure of the military have given the armed forces—at least the

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combat arms—a special interest in making the bottom of the manpower barrel employable for their purposes. Other institutions have been interested in making money out of the training process but not in the use of those they train. Berg may overstate the military's success, but he is right that there is at least a logic in the attempt of the armed forces, unable to rely on the credentials bag, to realize the potential of the available manpower to match the actual requirements of the jobs that need to be filled. Would that the city's political leaders could convince city school systems that realizing the potential of youth and matching that realized potential to available jobs is essential if the city is to be able to continue its support of the school system!

Among the most successful efforts to revitalize education have been the work-study programs undertaken in cooperation with industry by the more daring school administrators. In St. Louis some nine companies employ about 300 students. This is a pitifully small number in a city of 600,000 with a school population desperately in need of work motivation and educational motivation. Such as it is, the program seems a success. Southwestern Bell claims a retention rate of 82 per cent, better than the rate among those it hires at the gate. Yet the participation of industry is infinitely less than it could or should be if, as its leaders claim, they wish the survival and prosperity of the city. Nor are the schools any more active in pressing to widen this bridgehead between themselves and the world of work. Many in the schools regard work-study as a threat to the "liberal" education that is their livelihood; industry finds it an enterprise that, despite its long-run promise, presents immediate problems insufficiently compensated for by immediate rewards; and political leaders, enamored of brick and mortar projects and their payoffs, suffer a similar myopia.

The irrationality of urban policy

Of all the means of restoring the city, none seems more promising than achieving the satisfactory employment of its inhabitants, particularly its youth. In a city such as St. Louis, the condition of a few thousand black and white youths is a key factor in the troubles of the entire city. Their failure to find meaningful employment infects the schools with a sense of frustration and futility. The dirty, dead-end, intermittent jobs that are open to them offer a poor and unattractive alternative to crime, the hustle, drug addiction, and unemployment. They may well be a major cause of the increase in

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illegitimacy rates, the ADC rolls, and the incidence of the female-headed family with all its attendant problems. This marginal youth population, so well depicted in Elliot Liebow's *Tally's Corner,* acts as an almost Keynesian multiplier of social ill. Low and unstable incomes insufficient to maintain the housing in which such youths reside contribute to the spread of blight. Crime and blight lead to housing abandonment and the decay of the city.

Schools and security are the two reasons most frequently given for leaving the city. As for the former, a mistakenly liberal policy of homogenizing the city schools has led even working-class parents, black and white, to leave the city to assure for their children a safe and (they hope) productive education in the suburbs. They do so because of the efforts of a curious alliance of schoolmen, liberals, black militants, the media, and civil rights activists, who have in effect insisted that anyone seeking better education for his children must do so either outside the city or in private schools. Given the level of city taxes, only the well-to-do can afford the latter alternative.

Security is taken to be the business of the police. Like education it is consumed as a merit good with little concern for the cost-effectiveness of actual police activities. As Norval Morris has said, "Grossly too much money is going to police work when our system of justice can't process efficiently even the few persons the police arrest." Recently Morris reported that studies have shown that of every 100 crimes committed in the United States only about 50 are reported to authorities, leading to an average of 12 arrests, six convictions, and two persons sent to jail. Small wonder that Morris concludes that ours is an obviously ineffective law enforcement system. It is almost a pity that the New York police did not remain on strike long enough to demonstrate whether society could not manage with far fewer of them. Morris' figures suggest that their true value may be much smaller than we think.

The direct dollar cost of law enforcement is large, but not nearly so large as the cost of its failure to produce the product—security—which is its manifest function. The police and the criminal justice system seem much more concerned with the interests vested in the existing process than with the product or productivity of that process. To question the police and criminal justice system is much like questioning the efficacy of religion. In such matters faith is kept expediently apart from knowledge. The bulk of the street crime that causes many to flee the city is committed by youth. Most of these youths are known to the police, yet we have neither the wit

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nor the will to use this knowledge for crime prevention. Preventive medicine for crime is as far, perhaps farther, removed from the realm of practical public policy as is preventive medicine for the illness of the people of the city.

In this connection, too, an employment strategy such as that envisaged in the Administration's Manpower Bill of 1969 would seem to make the best of good sense. Wilbur Thompson has concluded that an investment in manpower is potentially the most powerful weapon in the city's arsenal to improve its condition. If the people of the city are broke, the city itself is likely to become bankrupt. It would seem that this would clearly follow, and therefore that running the city so as to employ fully and to upgrade the employment of its residents would be normal public policy. In fact, such is not the case. The city is not run rationally to concentrate its policies and resources on achieving the welfare of its inhabitants.

Two kinds of politics

The picture of Mayor Gibson facing the teachers' union (and all its union allies) over the well-picked bones of the city of Newark is an almost ideal type of the future that faces many older American cities. While not physically absent from Newark, the businessmen, after their brief moment of urban renewal and a flurry of ineffective corporate do-gooding, have abandoned responsibility for the city's future to the bureaucracies, the unions, and such leadership as the blacks and the remaining whites can muster. Thus Fitch remarks: "Newark . . . this year faces a deficit (in a budget which allowed for no service improvements) equal to nearly 60 per cent of the yield of its property tax. Newark property tax rates, over 8 per cent of full value and probably the highest in the nation, effectively subdue any impulse to construct or improve Newark real estate, and are a main factor in the high rate of landlord abandonment of housing units." The tax structure and its burdens, the quality of public services, the schools, and the quest for security increasingly motivate all who can to abandon a sinking ship. Only the image is wrong. The city is not a ship that will finally sink and have it over with. As David Burch suggests in his Committee for Economic Development pamphlet, the older city will inevitably remain, and it will have to find new specialties to justify its continued existence (such as it may be). It is now finding such specialties, and perhaps the most noteworthy of these is a role as an Indian reservation for the poor, the deviant, the unwanted, and for those

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who make a business or career of managing them for the rest of society.

Under such circumstances, two kinds of politics suggest themselves: One is the increasing acceptance of the model of an Indian reservation made up of inmates and keepers, economically dependent on transfer payments from the outside society made in consideration of custodial services rendered; the other is a politics of colonial emancipation, self-help, and the development of a viable local economy co-equal with that of the outside society. The first pattern is the easy way, the drift course of events; in principle, if not in rhetoric, it is followed by such liberals as Mayor Lindsay of New York. The second policy is more difficult. It involves a head-on struggle with the bureaucracies and the forces that presently find it more profitable to milk the city through disinvestment, running down its plant, and wasteful public projects than to strive to make the city a profitable, going concern. The problem is compounded by our urban "Indians," who have accustomed themselves to a life of dependency, and by those who have chosen crime and drug addiction.

The magic remedy for those who knowingly or unknowingly accept the city's future fate as an Indian reservation is federal or other revenue sharing. The term "sharing" disguises the fact that this is a transfer payment from the outside society. Insofar as it is not an act of pure charity, it is for services rendered, because no export of goods is involved. In this situation, revenue sharing is a payment by the outside society to the city's bureaucracies and politicians to maintain a poor farm and a reservation. Part of this payment—as with the Bureau of Indian Affairs—goes for the subsistence and needs of the natives, another part to the keepers, and still another to those who can somehow make a profit in this business. While the purity of urban reservations is diluted by an admixture of still-functioning business structures and a resident productive population, the logic of their major use tends to drive out these incompatible other uses. Thus business and the productively employed, seeking escape from tax burdens, poor services, and crime, migrate or suburbanize. Even the keepers suburbanize. Black teachers and policemen follow white to the suburbs.

All too fatally, the organized interests of the city and of the underlying population become adapted to the folk culture of the reservation. The businesses leave or adapt. The keepers make keeping a business with no more concern for the inmates than is common among custodial employees. The politicians respond to the most

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highly organized and to those with cash; thus, despite rhetoric and spasmodic acts, the steady thrust of public policy is to serve the selfish interests of the public and private unions and of business. The underlying population becomes immersed in apathy, crime, drug addiction, and the all-pervasive hustle. There develops the adaptation that Lee Rainwater and Oscar Lewis call the culture of poverty. Others have called it, because of its disconnection from the dynamic outside economy, the slum of despair, as opposed to the older slum of hope where the inhabitants at least had their feet on a ladder leading upward. For still others, such as Edward Banfield, this is the unheavenly city, self-inflicted punishment or reward for those following an ethic of immediate gratification.

The dilemma of the short-term mayor

To transform the varied elements that have conspired to make the older city an urban reservation into a viable, humane cooperative for the improvement of its inhabitants' economic and social condition is a formidable if not impossible task. Forrester is clearly right that we have an historically-created system that systematically produces physical blight, decay, and the concentration of an unemployed, crime-ridden population in the cities. This process goes on because individuals and institutions find it rewarding. Others who may object to it feel powerless to alter the seemingly fatal flow of events; like Wood's suburbs, they adapt to forces rather than adapt forces to their purposes. Part of the problem is cognitive, and part lies in the inadequacy of local political power to alter a system in being. Cities are caught in what game theorists call "the prisoner's dilemma": If everybody on the street paints and fixes up, everybody may gain; if you alone paint and fix up, you've wasted your money.

To alter a going system made up of powerful, entrenched bureaucracies and their allies in state and nation takes more political staying power than a local mayor, apt to be a transient bird of passage, can muster. A new mayor of Boston might be told by his Harvard advisors that remaking the school system to improve the skills of the city's youth would be a number-one priority for really upgrading the city. But a new mayor of Boston would have his eye on the governorship and would hope to make his move before events in the city caught up with him; he would therefore think carefully of the political costs and benefits before taking on the school bureaucracy and its allies. A black mayor of Gary might well conclude that his school system could go no way but up and employ a private

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firm with an accountability contract to upgrade the performance of his school system. In doing so he would incur the wrath of his teachers and of the state and perhaps federal education establishment, without any assurance that his measures would result in a publicly appreciated payoff in the time span his political survival required.

A mayor in a run-down city with a democratic government faces a Herculean task if he seeks both to change the city's priorities and to stand for re-election in two years. What has proved true almost universally of the newly emancipated colonies is all too likely to prove true of the older American cities: The rhetoric of promised improvement cannot be realized in an electoral time span. Neither can sustained, long-term economic development be achieved by a galloping succession of short-term mayors—yet such a succession is likely to be the case. The recipe for a longer tenure is Mayor Daley's machine. And this might be no bad thing if the constellation of interests, businesses, unions, perhaps the syndicate, and public employees were compatible with and supportive of a viable local economy. Whether this is indeed the case in Chicago, or whether Chicago is just another case of New York at an earlier stage is an open question. However this may be, where progress toward the Indian reservation is far advanced, the Daley solution seems implausible. For then the machine will be dedicated to preserving and profiting from the business of running the reservation.

Shifting the tab

The unwalled city as yet lacks the capacity for a politics of its own. With all the formal trappings of a democracy, its government, such as it is, is not directed to the purposeful improvement of the condition of its actual inhabitants. The structure of perceived interests that direct the key municipal actors leads them to undertake policies that bring about the city's decay. This is clearly the case with the employees' unions whose concern with pay and working conditions is disjoined from any concern with increased productivity. In questioning the inevitable character of Baumol's thesis about the divorce between municipal services and productivity, Fitch points out that "a recent study indicates that the cost of picking up refuse by New York City's highly mechanized sanitation department is three times the price quoted by private cartmen . . . down time on new city sanitation trucks is about 33 per cent; the same as for the trucks they replaced; apparently garages can not handle

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the minimal maintenance necessary to keep new equipment in operating condition." Fitch is certainly right that there is nothing inherent in most municipal services that renders their present technology beyond improvement. What he does show is that the present incentive structure makes it likely not only that there should be no improvement but even that present levels of efficiency should decline.

Faced with mounting costs of municipal services, other political actors and levels seem to prefer avoiding serious effort to force greater efficiency on employee unions. Thus Fitch points to another instance: "The Boston Metropolitan Transit Authority shows operating costs per passenger mile nearly twice those of other major transit systems, largely because of archaic labor practices, staffing patterns and work rules. Rather than seeking to improve matters by fairly obvious efficiency measures, the system has prevailed upon its congressional delegation to put pressures on the federal government for transit operating subsidies, which could soak up any conceivable amount of federal grant funds." The existing system of political incentives results in a politics of shifting the tab, failing to economize, and letting the future take care of itself. The unions are not the only ones who have no eye for the future. As Fitch again notes, "Some of the advocates of general revenue sharing, such as Governor Rockefeller and Mayor Lindsay, are apparently willing to pay fairly high premiums for federal income tax money as opposed to state income tax money, presumably because they do not have to bear the onus of higher federal income taxes."

An urban N.E.P.?

One does not have to be a Skinnerian pigeon psychologist to recognize that the positive and aversive stimuli of our local and perhaps our state and national politics teach lessons and encourage behavior that is dysfunctional for the continued well-being of the city. The unwalled city can be safely exploited by those who can reside without. When not only businessmen and middle-class professionals, but even white and black teachers and cops can live in the suburbs, the most vocal and politically competent can solve their family problem of education and safety without solving that of the city at the same time. The divorce between the long-term interests of the city and the visible and compelling short-term interests of its key and controlling actors is *the* critical problem of the city. Those who now run the city lack any long-term identification

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with its future. The option of physical flight and disinvestment seems preferable to burning one's bridges and sticking with it. Many who have power over the city see themselves as powerless to do more than profit from its decline. Others have only the dimmest conception of the causes of the city's problems and cast about for moral slogans or gadget cures such as mass transit.

The city is without a government and a governing class committed to its future and possessed of a competent notion of the nature and causes of its ills. Given such understanding, there might be those left in the city with the possibility of political power who would find their true interests in the city's revived prosperity rather than in its continued decay. Unions with an almost Freudian death wish have destroyed newspapers and other businesses—such as the railroads—on whose prosperity their own depended. But other unions (such as the garment workers) have shown more enlightened self-interest than have their employers. Given the political potency of the public-employee unions, their conversion to an enlightened understanding of their own interest in the viability of the city's economy is of crucial importance.

James Q. Wilson, in a most perceptive essay, has pointed to the emerging trend of mayors playing to their media audiences rather than to their constituencies. This is of a piece with the incentives of our politics that make for urban decay. The constituency is the city's inhabitants. A politics that is more concerned with the audience is more concerned with civil rights posturing and sloganeering than with any real improvement in the condition of the city's inhabitants or with their organization to achieve long-term improvement. Such a politics will not seek to bring lower-class blacks and white ethnics into political working alignment to make the city a cooperative for their economic and social advance. The classical economists had in their theory of the market the model of an interacting system where the individual selfish interests of the actors would lead unintendedly to the common good. While the city was a limited affair, the classical market had enough reality to make it function. Now this seems no longer the case. Few citizens find their profit in businesses and actions that maintain and build the city. Most find their advantage in milking the city's stored-up capital, using such resources as still exist in collectively wasteful but individually profitable projects.

With the growth in the public sector the homeostatic principle of the classical market has broken down. The city moves toward the Indian reservation. But it could be in the rational long-term interest

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of those who now make their living in and from it to organize to preserve the city as a going concern, rather than to run it down. Whether such a conception of interests and possibilities can be given to those who have the power can only be determined in practice. Whether businesses can be found whose profits will accord with the building of the city rather than with its decay will determine the city's future. Perhaps we are not yet at a stage when the people of the city are prepared for an active politics of planned economic and social development. The city's best present hope—if hope is possible at all—may be a resort to something on the order of Lenin's New Economic Policy, in which self-help and self-interest might restore a functioning economy and avert the Indian reservation destiny.

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The dead hand of regulation

JAMES Q. WILSON

AFTER decades of public and journalistic neglect, the government agencies that set prices, control entry, and regulate conduct in many of our most important industries have suddenly found themselves in the limelight. Owing to the efforts of Ralph Nader and other advocates of "consumerism," a considerable segment of attentive opinion has become convinced that the prosaic, often arcane decisions of these little understood commissions are not always in the public interest. Such a view is correct, and for dramatizing the fact we owe Nader and the others a debt of gratitude.

But dramatic confrontations between "raiders" and "bureaucrats," however useful in creating an issue, are not so useful in understanding the issue. Persons easily convinced that the government is not acting rightly tend to assume that it is because the government is not righteous; if industries are being regulated wrongly, then (in this view) it must be because bad people are doing the regulating. It would be unfortunate if the resolution of the regulatory issue were framed in terms of the moralistic premises that first gave rise to it.

It would be all the more unfortunate considering that a number of scholars, chiefly economists, have developed over the last ten years a substantial set of analytical tools and empirical findings which,

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taken together, constitute an impressive contribution to our knowledge of what happens when the government tries to intervene in the economy. Yet compared to the enormous influence of those economists who have developed ways of managing our tax, fiscal, and monetary policies, the influence exercised by the regulatory economists has been negligible. About the only serious effort to move in the direction suggested by their analyses was President Kennedy's 1962 transportation message calling for the abandonment of minimum-rate regulation in the shipment of bulk commodities on trucks, trains, and barges. The plan was buried in Congress, opposed by the truckers, the barge operators, and the rate setters (in this case, the Interstate Commerce Commission).

If the economists' success in getting their aggregate strategies accepted reaffirmed what the invisible hand of the market could do under proper guidance, their failure in getting government to accept their critique of non-aggregate strategies testified to the enduring strength of the dead hand of regulation. Paul W. MacAvoy of MIT in *The Crisis of the Regulatory Commissions* (New York: Norton, 1970) summarizes the most important analyses of regulatory economics as an "accumulation of substantial quantitative findings" leading to the general conclusion that "regulation has imposed considerable costs on public utility company operations without providing compensating benefits."

The problems of regulatory agencies go beyond price setting, however, and involve issues ranging from allocation (e.g., deciding who will get a television broadcast license) through the approval of business practices (e.g., deciding which firms may merge and which may not) to the control of what may or may not be broadcast (e.g., deciding whether radio stations will be allowed to editorialize or whether television stations show too much violence or too many commercials). In evaluating these and other kinds of government regulations, there are two standards one may employ—efficiency and equity. By "efficiency" I mean that a given regulatory policy achieves a desirable objective at minimal cost; by "equity" I mean that the regulatory policy, whether efficient or not, treats those subject to it fairly—that is, treats like cases alike on the basis of rules known in advance and applicable to all.

Until the end of the 1950's, the many criticisms of regulatory commissions were generally based on rather narrow or truncated versions of these two criteria. Those concerned with efficiency tended to emphasize the problem of who would determine what the desirable social objective should be and thus to whom regulatory agencies

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would be accountable. This in general was the concern of the Hoover Commission and of the political scientists who complained that the commissions were a "headless fourth branch" of government and were being "captured" by the very industries they were supposed to regulate. Typical of the reform proposals of such commentators, most of whom accepted without much question the desirability of regulation, were suggestions that the commissions have "stronger leadership," "clearer mandates," "popular support," and "effective management." Rarely did any of these authors say to what concrete ends that leadership and popular support should be directed or what should be contained in the clear mandate. And as for industry influence over commissions, the best answer came from Louis Jaffe of the Harvard Law School: Whether a commission does or does not serve the ends of industry is much less important than whether it serves the correct ends, and these may or may not be what industry wants.

Critics concerned with equity, who on the whole were less favorably disposed to the idea of administrative regulation at all, concentrated their fire on the administrative procedures of the commissions, and sought by various legal and judicial remedies to insure that parties appearing before the commissions would receive ample notice, a fair hearing, an opportunity for review, and the other elements of due process as then conceived. The culmination of this movement was the passage of the Administrative Procedures Act of 1946. Though its proponents, mostly lawyers, hailed it as marking a new era in administrative law, the new era did not arrive. In the opinion of most observers, the influence of the act was marginal, and such effect as it did have was generally in the direction of making regulation slower and more costly rather than fairer.

Indeed, insofar as it sought to treat affected parties more justly, the act was doomed from the start, for it was based on a fundamental misconception of much of the regulatory process. Adjudication, as it occurs in a court of law, is (in the words of Lon Fuller) an "institutionally protected opportunity to present proofs and arguments" to support a claim of right deriving from some previously agreed to standard. This is what we do, for example, when we sue a person for failure to pay a debt. But most regulatory commissions do not have such standards, nor do most of their clients have a "right" to (for example) a vacant television license, an airline route, or a particular price for long-distance telephone calls. In deciding who shall receive the license or fly the route or what the price shall be, the agency has no single solution to which the affected parties

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can direct their arguments. Equity or justice in cases of this sort does not consist so much in providing the opportunities for court-like speeches as in enunciating and adhering to a reasonable standard, applicable to all, that will permit the affected parties to conduct themselves free of the fear of capricious governmental action.

The effects of regulation

The economists have cut through much (though as we shall see, not all) of the fuzzy rhetoric and empty reforms addressed to these issues and have asked instead the simple question, "What effect does a regulatory policy have and, given certain goals, how can that effect be improved?" The first thing to decide was whether regulatory policies, especially in the rate-fixing area, *had any effect at all.* Everyone, of course, assumed that they had. Why else would businessmen complain so much about these rates and an aroused public demand even lower ones? The landmark study on this issue has been the effort of George J. Stigler and Claire Friedland to determine whether or not state control over the prices that electric utilities could charge had any effect on what prices they did charge. They compared the rates charged by utilities in states with regulation to those charged in states without it during the period (before 1937) when there was a significant number of unregulated states. They did not compare the rates directly—for obviously many factors other than regulation will affect prices—but compared the "residual rates" after controlling for the effects of urbanization, the price of fuel and the incomes of consumers.[1] In calculations for various years from 1912 to 1937, the existence of regulation had no significant effect. Nor was there in unregulated as opposed to regulated states any evidence of greater price discrimination (between, for example, domestic and industrial consumers) or of differences in utility profit levels as measured by stockholder experience. Stigler and Friedland explain their findings by the absence of long-run monopoly power in the hands of electric companies (they face competition from other energy sources) and the inability of a regulatory body to determine what rates ought to be relative to costs, or even to learn what the costs are.

That the incompetence of the agency as much as the nature of the

[1] For the technically-minded reader, regulation-nonregulation was a dummy variable in a regression equation in which the dependent variable was the log of the average revenue per kilowatt hour and the predictor variables were the log values of the population in cities over 25,000, the cost of coal per BTU, the per capita income, and the proportion of power from hydroelectric sources.

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industry may make price regulation so chancy a phenomenon will suggest to some readers what it has suggested to several generations of reformers: the need to have "better" commissions, perhaps ones staffed with economists as able as Professor Stigler. After all, what is required is simply to set prices so as to provide a "reasonable return on investment." And there are some firms that are so nearly in the position of a natural monopoly that regulation is the only means short of public ownership to prevent them from charging monopoly prices. It remains only to determine what the investment or the production costs are, and then to set the price. But as Felix Frankfurter and Henry Hart pointed out over 35 years ago, a fair and defensible determination of the rate base is maddeningly hard to make. Initial capital investment obviously will not do, as the value of the plant has no doubt appreciated since it was built. Replacement cost seems a better alternative, until one realizes that estimating it for an electric light or telephone company requires a kind of economic science fiction almost impossible to justify. What is the cost of "replacing" a utility that grew with the surrounding community's growth from village to metropolis and now exists in such close interconnection with the people it serves that to "replace" it would require virtually replacing the community itself? And in any case, assessing the value of a company can take (and has taken) years, hardly an arrangement conducive to regular and flexible adjustments in rates to meet changing economic conditions. And as for using the costs of production as the basis for price fixing, what a firm chooses to term a cost (as opposed to an investment), how it chooses to allocate costs between the regulated and unregulated aspects of its business, and what service levels it is willing to provide to its customers under various cost conditions are all matters that, if knowable at all, are known only to an array of accountants prepared to conceal as much as they reveal. Furthermore, taking even knowable costs as the basis for price setting by a commission may eliminate much of the firm's incentive to reduce costs or adopt more efficient technological innovations. The intention of government price setting may be to protect the helpless consumer, but its effect may be to protect the incompetent producer.

Just because it is hard to fix rates does not mean that rates are not fixed. They are, and often with quite significant results to the consumer. This is perhaps best illustrated in the field of transportation. Anyone who buys an airplane ticket or ships his furniture to another city is paying a price that is affected by, and sometimes uniquely determined by, a government agency. Merton J. Peck of Yale has

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studied the results of this process for shippers and Richard E. Caves has studied it with respect to airlines. Both conclude that prices would be lower to the consumer if they were not regulated. Peck estimates that abolishing government-set minimum rates for rail, truck, and barge shipments of bulk and agricultural commodities would save the consumer in excess of $400 million annually *and* at the same time increase the profitability of the railroads. Caves offers no dollar estimates, but concludes that the airline industry is sufficiently competitive to insure good service without government control over either prices or the right of a new firm to enter the industry. (Maintaining safety standards would, of course, be required, but that can be done by inspecting and certifying aircraft and air crews and does not require economic regulation.)

Efficiency

The inefficient use of economic resources in fields such as transportation does not result from the fact that stupid or corrupt men regulate these industries, but from the fact that well-meaning and reasonably intelligent men do. The Interstate Commerce Commission sought to prevent railroads from gouging farmers during the period when trains afforded almost the only way of shipping many farm products to market. I do not know how successfully the ICC protected the farmer when railroads had oligopoly positions, but today, when they do not, the ICC protects him very well. According to John Meyer, Merton Peck, John Stenason, and Charles Zwick,[2] rail revenues during the period 1939 to 1959 represented between 120 and 140 per cent of costs for agricultural products, while revenues for manufactured products have averaged between 165 and 203 per cent of costs. Nor do prices discriminate only among kinds of things shipped. Short-haul rail prices are a lower fraction of costs than long-haul prices, and many places are grouped for the purpose of calculating rates. Thus, the price to ship some things from California to Maine has been the same as from Idaho to Pennsylvania, even though the distances vary by as much as a thousand miles.

These and other anomalies result from the fact that the ICC has felt it necessary to set rates on an item-by-item, point-to-point basis, partly because it sought originally to protect the farmer (at the expense of the manufacturer) and partly because the railroads themselves practiced this form of price discrimination in the days before

[2] *The Economics of Competition in the Transportation Industries* (Cambridge: Harvard University Press, 1964).

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they had much competition. The ICC decided to strike a compromise between the interests of farmers and those of the railroaders by tinkering with existing prices rather than by starting all over. What began as tinkering wound up as a set of 75,000 separate rate schedules and an administrative procedure for handling (in 1962) over 173,000 proposed tariffs submitted by truck and barge as well as rail firms. Among the rates the ICC now "sets" are ones which distinguish, as Phillip Locklin has noted, between horses for slaughter and horses for draught, between sand used to make glass and sand used to make cement, and between lime used in industry and lime used in agriculture. Of course, no agency could "set" all these rates every year; the best it can do is look at a few, change any flagrant ones, and hope for the best.

The chief cumulative cost to society of ICC rate setting is not its administative confusion or intellectual untidiness, but the distortions it causes in the effort to create a balanced and efficient transportation system. When trucks came onto the scene, they did not seek out those routes for which they were the most efficient carriers (e.g., short-haul carriage of agricultural products) but, as Peck points out, those where they could make the most money even though they might be the least efficient (that is, long-haul carriage of manufacturing products for which the rates were kept artificially high in part by government action). The ICC responded, not by deregulating railroads so they could compete, but by regulating trucks so they could not. It did not quite succeed, however. The best it could do was to set truck and rail prices at the same level, but then the competition turned on quality of service (at which trucks had the advantage because they could go anywhere a road was to be found), and the railroads suffered anyway.

The Civil Aeronautics Board has been a better friend to the airlines than the ICC has been to the railroads. Prices on the high-density, big-city air routes are higher than they would be if competitively set. It costs less per mile, for example, to fly from Los Angeles to San Francisco (an intrastate route not subject to CAB regulation) than from New York to Washington, D.C. (an interstate route that is CAB-regulated). The CAB justifies this in part by requiring the airlines serving the high-density, over-priced routes also to serve low-density, unprofitable routes in order to insure that the nation has a complete airline system. Even assuming that it is in the national interest to guarantee that virtually any city can be reached by air, and that to do it a subsidy is required, it is not clear why the cost of that subsidy should be borne by passengers on the high-

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density routes rather than by the nation as a whole, or why the subsidy should be conferred covertly (by internal fare regulation) rather than openly (by cash payments). Or rather it *is* clear—it is politically easier to subsidize if it is done inconspicuously and in ways that do not appear to be a charge on the tax rate.

Nor are the economic inefficiencies limited to the transportation field. By a combination of policies administered by various agencies, we insure that the nation produces too much crude oil and too little natural gas. Restrictions ("quotas") on the importation of foreign oil guarantee that the price of oil in the United States will be higher than it need be (i.e., than the world price) and that there will be more drilling in scarce domestic oil reserves than is justified. At the same time, the Federal Power Commission until recently has set the field price of natural gas below the rate necessary to clear the market, and thus below the rate many think is necessary to encourage vigorous exploration for new sources of supply. This means that while present-day consumers of gas may have been benefited because prices have been kept low, future consumers may well have been harmed because of the shortages they will encounter (and to some extent, already are encountering).[3]

Who has captured whom

Scholars as diverse as the radical historian Gabriel Kolko and the conservative economist George Stigler offer a simple explanation for the behavior of these and other regulatory agencies: They have been captured by, or were created to serve the interests of, the industries they are supposed to regulate. To Kolko, business regulation, like all other "reform" efforts in American government, has had the intended effect of making secure the control over wealth exercised by the dominant economic class. To Stigler, any industry with sufficient political influence will use the coercive power of the state to limit entry into the industry and thus to restrict competition; failing that, it will take the second-best strategy of obtaining cash subsidies from the government to help defray the cost of competition. ("Second best," because a cash subsidy, without entry control, would have to

[3] The extent to which there is or may be a shortage depends in part on estimates of the size of the natural gas reserves, and this is a hotly disputed issue; it may also be ultimately unanswerable. Whatever the size of the reserves, the issue remains as to whether wellhead rates are high enough to encourage exploration for new fields and whether there is enough competition to insure that market prices will not be monopoly prices. Studies by Paul MacAvoy suggest that field prices are (or without regulation, would be) competitive.

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be shared with all new entrants into the industry, and the bigger the subsidy the more numerous the entrants.)

There are examples of regulation that seem to have no other explanations than those. The benefits given to the petroleum industry by import quotas and tax-depletion allowances represent an enormous subsidy (perhaps as much as $5 billion a year). The CAB has not allowed the formation of a new trunk airline since it was created in 1938. At one time the butter producers virtually suppressed the use of margarine by obtaining laws that forbade coloring margarine to look like butter. Plenty of other instances could no doubt be added.

But just as striking are the cases contrary to the theory of industry capture. The Federal Power Commission can hardly be called the tool of the natural gas producer interests; until recently it has set wellhead prices below what the producers would like and indeed what the public interest probably requires. If the ICC was once dominated by the railroads, it is not today: So generous has that agency been to the chief rivals of the railroads, the truckers and barge lines, that today the rail industry favors deregulation altogether. Television broadcasters (such as WHDH in Boston) that have lost their license to a rival claimant because of the action of the Federal Communications Commission, or newspaper owners who face the possibility of having to divest themselves of television station ownership, or television networks that have had the amount of programming they could supply in prime viewing time reduced by a half-hour each day are not likely to think of themselves as playing the role of captor with respect to the FCC.

Indeed, there may well be as many industries that have been "captured" by their regulatory agency as agencies captured by the industry. But the term "capture" reflects a simplistic view of the politics of regulation. Though there have been very few good studies of agency politics, what probably happens is this: An agency is established, sometimes with industry support and sometimes over industry objections, and then gradually creates a regulatory climate that acquires a life of its own. Certain firms will be helped by some of the specific regulatory decisions making up this climate, others will be hurt. But the industry as a whole will adjust to the climate and decide that the costs of shifting from the known hazards of regulation to the unknown ones of competition are too great; it thus will come to defend the system. The agencies themselves will become preoccupied with the details of regulation and the minutiae of cases in whatever form they first inherit them, trying by the slow manipu-

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lation of details to achieve various particular effects that happen to commend themselves from time to time to various agency members. In a burst of academic masochism, Paul MacAvoy recently read all 1,041 pages in Volume 42 of the *Federal Power Commission Reports,* and concluded that it is hard to find any consistent policy preference concealed in their bureaucratic and ponderous language; hints appear here and there in the few important cases, but it would be hard to call them a "policy." The net effects of the FPC's actions often are clear, but whether they are intended, and if so on what grounds, is not clear.

Louis Jaffe has probably stated the political situation more accurately—the agencies are not so much industry-oriented or consumer-oriented as *regulation-oriented.* They are in the regulation business, and regulate they will, with or without a rationale. If the agencies have been "captured" by anybody, it is probably by their staffs who have mastered the arcane details of rate setting and license granting. Take the Anti-Trust Division of the Justice Department: No one supposes that this division is animated by any clear, consistent, and economically defensible theory of the impact of firm size on market performance, and indeed it is not. Some may suppose that in the absence of such a theory it will be guided instead by political pressures or White House inclinations; but despite the efforts of Nader's Raiders to find evidence of such influences, there is little to support this supposition. As far as anyone can tell, the Anti-Trust lawyers are guided chiefly by their trained habits to find a case that with available evidence and under prevailing court opinions can be made to stick. Any case.

In any event, most regulatory agencies have been doing pretty much what Congress has asked of them. Congress never intended that competition should govern in transportation, and the ICC has seen to it that it hasn't. The ICC was supposed to "co-ordinate" our transportation system, and though one may question (and I certainly question) whether co-ordination can be achieved by detailed regulation, the fact is that the ICC, supposedly "owned" by the railroads, has in the name of co-ordination been quite generous to the trucking and barge industries—so much so that now the railroads are in favor of deregulation. Indeed, if any agency has been "captured" by its clients, it has been, under certain presidents, the National Labor Relations Board; but again, this is exactly what Congress intended in the Wagner Act. (Curiously, academic criticism of business domination of regulatory agencies rarely extends to organized labor influence in the NLRB.) The Securities and Exchange

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Commission has had a running feud with much of Wall Street, just as Congress hoped it would. Indeed, if any single political force benefits from economic regulation, it is Congress—or more accurately, those key Congressional committee and subcommittee chairmen with a substantive interest in, or appropriations responsibilities over, the regulatory agencies. The FCC has been reluctant to make any change in its controls over cable communication without checking with key Senators, and the NLRB regularly hears from members of the House Education and Labor Committee about matters pending before it.

But even Congressional intervention, like industry control, is not in itself a problem; everything depends on the ends toward which such intervention or control is directed. The problem of efficiency, in short, is not wholly a problem of clientelism, political meddling, or agency incompetence; in substantial part it is a problem of the nature of the tasks which we have given the agencies. These tasks probably could not be performed well even in theory, and amid the practical realities of confused ends and ambiguous standards they are, through the fault of no one in particular, performed abominably.

Equity

The economic analyses thus far described have rather little to say explicitly about the problem of equity, though their criticism of piecemeal rate making has clear implications about the fairness with which (for example) shippers of similar products over similar distances are treated. The general question of equity is not raised by economists, and those who do raise it—chiefly business firms that feel unjustly treated—are often ignored on grounds, quite plausible in many cases, that they are engaged in special pleading.

But the issue remains, even if it is difficult to get people to take it seriously. Not that people are generally indifferent to considerations of justice and fair play; far from it. But they tend to limit their concern to victimized individuals and groups with whom they have sympathy. Those who publish books and articles rarely, if ever, argue that a person should be subject to arbitrary arrest, or that *ex post facto* laws should be tolerated, or that demonstrations should be allowed or forbidden at the pleasure of an administrator. Or do they? Consider the following statement, written by a man who was later to become a Justice of the United States Supreme Court:

> Unless the police officer has effective bargaining power, little can be expected. He must have sanctions or desired favors which he can trade

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> for changes in behavior. . . . He may be asked to exercise his discretion, for example, to allow a certain demonstration to take place. Then, if the need of the demonstrators is sufficiently urgent, a trade may be consummated. In return for the favor of the police officer, the demonstrators may change their speeches and leaflets in accordance with the police officer's conception of equity and justice.

I venture that most readers would find this statement shocking and odious. The idea that the right to demonstrate should be subject to arbitrary powers and the content of the demonstration modified by the capacity of a policeman to bargain with the demonstrators seems the height of unfairness.

Now, I must confess that the Justice-to-be (Abe Fortas, as it turns out) did not exactly say this. Instead, Fortas was writing, in 1937, about how the staff of the SEC should behave. His exact words were as follows:

> Unless the administrator has effective bargaining power, little can be expected. He must have sanctions or desired favors which he can trade for changes in practices. . . . He may be asked to exercise his discretion, for example, to accelerate the effective date of registration [of a new security]. Then, if the need of the registrant is sufficiently urgent, a trade may be consummated. In return for the favor of the administrator, the registrant may amend his practices in accordance with the administrator's conception of equity and justice.

Most people, other than securities registrants, would find this statement at worst to be a candid but scarcely shocking glimpse into the real-life behavior of bureaucrats. Political scientists would probably cite this approvingly as an example of how the informal use of "necessary" administrative discretion can lead to the more "effective management" of the economy. I am perfectly aware, of course, that there are differences, perhaps decisive ones, between free speech and securities registration; but I think it behooves all who unhesitatingly condemn the first quotation and approve the second to think through rather carefully just what these differences may be and why speech should have near-absolute protection and commerce near-zero protection.

Whether or not we place the interests of the firm on the same plane as the interests of the writer or speaker, it seems clear (again, hardly anyone has examined the problem) that a person or corporation subject to regulation cannot in many cases know in advance where he stands, nor expect to be treated tomorrow by the same rule that governed his actions today. The theory of regulation advanced in the earlier part of this paper—that it tends to be an ad hoc, par-

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ticularistic process, affected, but not determined, by a policy habit or inclination—suggests not only that agencies will not operate on the basis of general rules, but that they will go to some pains to avoid developing such rules.

There are two reasons for this. One is that the greater the codification of substantive policy, the less the power the agency can wield over any client in the particular case. As Michel Crozier has argued with respect to bureaucracy generally, power depends in part on uncertainty—I have power over you to the extent you cannot be sure in advance what my reactions to your behavior will be. If the agency could only apply known rules to corporate behavior, it would still constrain that behavior, but far less than if it improvised its action in each case. In a baseball game the umpire has power because he can call me out after three strikes; but his power over me would be much greater if every time I came to the plate he told me that how many strikes I would be allowed depended on how well I swung the bat, or maybe on how clean my uniform was.

The second reason for avoiding codification is related to the first: The agency and its staff wish to be able to achieve particular goals in particular cases. Though the goals may be ambiguous and the cases all different, the general desire to realize a particular state of affairs is more important to the agency than the desire simply to insure that the rules are followed. To continue the analogy, it is as if the baseball umpire desired not just to see that the game was played fairly, but also that a certain number of runs were scored (so the fans would be happy), a certain number of pitches thrown (so the pitcher would get a good workout), and a certain price charged by the owners (so they would be either happy or unhappy, depending on his intentions).[4]

Regulating the broadcasters

Television and radio renewals display many of the attributes of a form of regulation deliberately without policy or rules. Each license must be renewed every three years, and the vast majority are in fact renewed almost automatically, or with only perfunctory review. But the power not to renew, and the actual shifting of licenses in some cases (technically, WHDH in Boston only had a "temporary" permit,

[4] Some agencies have codified their policies; the NLRB is one. As Roger G. Noll has pointed out, the NLRB is almost unique in dealing with two influential, well-organized, and competitive interests—labor and management. It is, therefore, under steady pressure to define its policies, and its decisions are appealed to the courts much more frequently than those of any other agency.

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not a regular three-year one) and the threatened shift in other cases, give to the FCC vast potential influence over the owners of stations and their conduct. To some extent that power is used to serve desirable objectives, such as that represented by the diversification rules. These are intended to encourage competition and specify that no applicant for a license may own more than one outlet in any one market area or more than seven outlets nationwide.

But increasingly, that power is used (or more accurately, its use is hinted at) to achieve a wide range of not very clear, not very consistent, and in many cases not very desirable social policies. Though the diversification rules are presumably intended to insure competition, the local ownership rules seem designed to prevent it. A radio or television station is supposed to be locally owned by people who have past broadcast experience, a record of participation in civic affairs, a willingness to engage in "public service" (i.e., unsponsored but "worthwhile") broadcasting, a capacity to find out (by opinion surveys and other means) what their audience wants, and so on. In short, they are supposed to be "good guys," somehow defined, even if they run to a certain bland sameness.

Furthermore, the owners are supposed to be fair. They have, in the Commission's words, "an affirmative duty generally to encourage and implement the broadcast of all sides of controversial public issues over their facilities" and to "play a conscious and positive role to bring about the balanced presentation of opposing viewpoints." The fairness doctrine as interpreted by the FCC means that a station broadcasting a program in favor of fair employment practices must also broadcast a program opposed to it, that a station indicating opposition to the nuclear test ban treaty must find and put on the air a spokesman who favors it, and that a station discussing the nutritive value of vitamin pills and white bread must seek out persons with different views. These are actual cases; there are others.

In principle, no one is opposed to fairness and in practice many of us may welcome, as a last resort, the existence of the fairness doctrine as a weapon with which to challenge the most egregious examples of one-sided broadcasting by stations with monopoly positions in their communities. But by now we should have learned that the existence of a federal power stimulates a demand for its use, and thus what begins as an ultimate weapon for extreme cases becomes a ready weapon for everyday cases. The United States Court of Appeals in Washington, D.C. has recently held that a station which shows a commercial for a high-powered automobile or leaded gasoline can be compelled to show programs, free of charge, about the

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dangers of air pollution. It is obvious that pollution is a problem and that cars contribute to it (many of us, we should recall, learned those facts from television!); but the implication of this decision is that showing anything (even a paid advertisement) about a controversial public issue creates an obligation to show something on the other side—free if necessary, and even if the other side has already expressed its views on other stations or in other media. If the purpose of the decision was to insure vigorous public debate, its effect, if it stands, is likely to be the opposite. Vigorous debate arises from boldness, while the decision is likely to inspire timidity.

Consider the necessary implications of the agency's position in this matter: Part of the government is empowered, on the basis of an inevitably vague standard, to control access to, and to influence (though not determine) the content of, an important medium of communication. No government agency has that power over newspapers, books, or magazines, and very few of us, I imagine, would want such an agency to exist.

Radio and television, of course, are supposed to be different from other media, but whether they really are is not clear. It surely is not because of their monopoly power—there are far more broadcast stations than newspapers serving most (perhaps all) American cities. And it cannot be because the public "owns" the airwaves; for the need to control their use (other than to prevent interference) does not follow from the fact of "ownership." But it is hard to see in what sense the airwaves are "owned" at all or, if they are somehow in the public domain, why they are any more so than the forests out of which newsprint is made or the public streets on which newspapers are sold. It may be that radio and television have a greater, perhaps even hypnotic effect on their audience, which thus must be protected. No one has shown this empirically to be the case[5], and in any event, no one suggested a Federal Motion Picture Commission when the movies were supposed to be the dominant (perhaps hypnotic) form of entertainment and persuasion. Perhaps it is because radio and TV are more directly available to children that we give them special treatment; but so are comic books, and the influence of either medium on young people is hard to assess.

I think that in fact we accept government regulation of broadcasting because we have it, we are used to it, and we all know of things we would like to see improved in radio and TV. If the First Amendment had never been added to the Constitution, and if it

[5]For a discussion of one such effort to prove it, see my article, "Violence, Pornography, and Social Science," in *The Public Interest*, Winter, 1971, pp. 45-61.

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therefore had been possible to have a Federal Newspaper Commission, we probably would have one in some form and expect it to "improve" our daily reading matter, eliminate objectionable advertisements, reduce the violence portrayed on the printed page, and allow only "balanced" editorial viewpoints (which is to say, no editorial viewpoints at all other than trivial ones). We would especially accept this form of control if those who would make use of it were people with views similar to our own.

Is the FCC to blame?

The FCC is no more solely responsible for the bland sameness of TV than the ICC is for our unbalanced and excessively costly transportation system. The central facts about the broadcast medium, especially television, are: (1) It must attempt to secure the largest possible number of viewers; (2) there is a shortage of creative talent with which to satisfy all of those viewers all of the time and some of those viewers any of the time; (3) until the general advent of cable television or other technologies there will be a lack of channels with national linkages to serve specialized audiences.

But the FCC has helped in its own way to make matters worse. The local ownership rule eliminated the possibility of regional stations; the initial decision to favor VHF over UHF broadcasting kept down the number of available channels; the local and public service programming rules have helped insure that there will be some programs on the air that almost nobody wants to watch; the anti-network decisions have reduced the contribution of almost the only group with the capacity to attract the most expensive (and usually the most gifted) talent; the fairness doctrine has helped inhibit (though it has not prevented) the growth of editorializing and the showing of controversial programs; and the ban on the cable importation of distant signals into the largest markets has impeded the growth of cable television and thereby conferred a hidden subsidy to over-the-air broadcasting.

Perhaps more importantly, FCC discretionary power over licenses has been increasingly encouraging to anybody who wishes to "improve" radio and television and increasingly worrisome to those who run stations. Community groups, often aided by "public interest" law firms, can and will object to license renewals for any station that has offended them and may succeeed in time in switching licenses to owners whom they are willing to approve. The attacks of Vice-President Spiro Agnew on newsmen are bound to have more of a

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chilling effect on an industry (such as TV) that knows its very existence depends on government approval than on one (such as newspapers) entirely independent of such authority. It is doubtful that the FCC will become the agent of Agnew's views, but nothing is more natural than for broadcasters to suspect it may have become so and to act accordingly. (If Agnew really wishes to change broadcasting, he might have his supporters hire a law firm of their own and challenge some offending stations at renewal time.)

The extent to which citizens' groups will be able to use renewal hearings as a means of controlling broadcasting is not yet clear, but the momentum is growing. In Des Moines a radio station is being challenged because it intends to stop playing "progressive rock," while a Syracuse station is being challenged because it has stopped playing classical music. In Los Angeles, a Mexican-American group has charged NBC-TV with portraying Mexicans in a demeaning manner on a long list of network programs and has demanded that NBC sign an agreement allowing the citizen organization to monitor all scripts and to veto any programs it considers "racist." Italian-American groups made sure long ago that most persons portrayed on television as gangsters will not have Italian names.

We can always hope, of course, that the FCC will reject any challenges that seem to inhibit free political communication, as they often have in the past. When a California FM radio station was challenged on the grounds that its programming was subversive and indecent, the FCC eventually cleared the station after an investigation. But why should there have been even the possibility that the station could thus have been put out of business? (If it had violated any proper law by its actions, there were civil and criminal remedies available to the regular law-enforcement agencies.)

One rejoinder to this criticism of the FCC is that we already have radio and television censorship, but it is practiced by network executives and station owners who are accountable to nobody. And to a considerable extent, this is true. While the degree of conscious control over television news by network executives is less than one might expect (their overriding concern is to find ways of creating visual entertainment and audience appeal out of roughly the same news stories everybody else is covering), it does exist: There seem to be cases of controversial documentaries being dropped or modified, of certain continuing stories (such as Vietnam) being covered from a particular perspective, and of views offensive to listeners or advertisers being tempered or quashed. But given the nature of the medium, that is almost inevitable. It is a *mass* medium supported

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by advertiser revenue, and TV executives would properly be judged incompetent if they aided their competitors by deliberately narrowing their appeal or reducing their revenues.

Those on the FCC who have attempted to create more diversity in television have acted as if they did not understand this and thus have adopted methods likely to make the problem worse. There is no way the FCC can regulate talent, diversity, or controversy *into* television; the best (or worst) it can do is to regulate *out* things it or someone else finds objectionable, and to otherwise keep the station owners on tenterhooks. The only way to free broadcast executives from the constraints under which they now operate is either to restructure the medium so that all or part of it is free from the need to advertise (as with pay television), or to create so many channels, nationally linked, that minority audiences with special tastes can be reached in sufficient numbers to warrant advertiser investment (as may perhaps be possible with cable television). No regulation can ever be successful if it is based on an effort to thwart powerful motives of self-interest; regulation works when it harnesses self-interest to public purposes.

The FCC has issued rule after rule apparently intended to require broadcasters to be better people with higher motives; but when faced with requests for pay television, it has either refused them or allowed only small experiments under conditions seemingly designed to insure failure. And, for all practical purposes, cable has been kept out of the one hundred largest markets, in which over 80 per cent of all television receivers are to be found. (This limitation will probably be partially lifted in the near future).

It is beyond the scope of this article to dwell on ways in which the necessary allocation of broadcast frequencies can be made without asking an agency to assess the character of the would-be owners or to monitor the content of their broadcasting. Ten years ago Ronald H. Coase suggested in the *Journal of Law and Economics* that the simplest means would be to auction off broadcast licenses, thereby both insuring a non-political allocation process and recovering for the public treasury some of the considerable value of the license. The advent of cable television offers opportunities for so increasing the number of TV channels available and so lowering the cost of origination that hardly anyone need be excluded from access on economic grounds; it also may make possible a feasible pay-TV system using one or more channels on a national scale. And there are other possibilities.

I doubt that anyone in the broadcast industry would favor either

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the auction or the cable, or that many would support any fundamental changes in the FCC's regulatory powers. On almost any decisive issue the broadcasters will support the Commission as it now operates, not because business has "captured" it (many broadcasters are deeply suspicious of the Commission and view its actions as wrong or capricious), but because the regulatory climate created by the Commission is what the industry knows and has more or less learned to live with. Besides, however offended any individual broadcaster may be by an FCC decision, the broadcasters' trade association is hardly likely to curry FCC ill-will by a frontal attack.

The unlikelihood of change

Neither industry nor the agencies have much need to fear major reforms, or at least reforms that reduce the item-by-item discretionary regulation that now exists. Quite the contrary. The reform impulse, except among economists who specialize in the problems of better use of regulated resources, is now of an entirely different sort —increased regulation, increased discretion, more numerous challenges to existing corporate practices. Commissioner Nicholas Johnson of the FCC has even published a book, *How To Talk Back To Your Television Set,* that is a manual of ways to challenge broadcasters; if its lessons were followed by a large number of citizen groups, the already considerable tendencies of broadcasters to provide programs that offend absolutely no one would be given a powerful impetus. What the pursuit of audience ratings has started, the law suits and renewal hearings would consummate. (In fairness it should be noted that Commissioner Johnson has also been an advocate of cable television and the greater diversity it promises.)

With respect to rate-fixing agencies, a move toward greater reliance on market forces in industries where competition is adequate is also unlikely. Not only would the agencies oppose it, but some groups will lose in the short run from any deregulated rate: Consumers might have to pay more for natural gas, oil companies might earn less from crude oil, and some shippers would pay more in rail and truck rates. Everyone who stands to pay more will naturally oppose deregulation, and those who will pay less (consumers, future generations, some firms) are typically not organized to seek such benefits—if, indeed, they are even aware of them.

But most importantly, the most articulate segment of public opinion has recently become aroused by the issue of "consumerism," and this almost surely will lead to demands for increasing the power and

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aggressiveness of the regulatory agencies. There is, of course, no necessary contradiction between a desire to protect the consumer and the desire to use scarce resources more efficiently; the efforts of the Federal Trade Commission or the Food and Drug Administration to insure that false and misleading claims are not made for products and that harmful substances are not sold to unwitting buyers are in principle unobjectionable. Indeed, one of the ironies of economic regulation is that it has generally existed with respect to those tasks it can do only poorly (such as setting rates and prices and controlling market entry) and has not existed, or has been indifferently managed, with respect to those tasks it could do well (such as controlling the effects of business activity on third parties or on the environment). Reducing the emission of noxious fumes or preventing the sale of a harmful drug is conceptually and perhaps administratively easier than deciding what allocation of television licenses will be in "the public interest" or what price levels are "reasonable"; yet until recently Congress has encouraged the agencies to do the latter but not the former. In so far as the contemporary concern for ecology and public health redresses this balance, it is all to the good.

But it is unlikely that the desire to improve and perfect human affairs will stop there. An effort will be made to "protect" the consumer by setting the price he can pay or forbidding him to buy certain products of whose dangers he is fully aware. Moreover, enhancing the powers or stimulating the activity of regulatory agencies for whatever reasons will lead the agencies themselves to enlarge their mandate and extend their influence. Consumer advocates, including as they do many of those most skeptical on other grounds of the manageability of large government organizations, should be the last to suppose that bigger consumer-protection agencies will work as intended; but of course, they are among the first to suppose it.

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Preface to Schelling

Contemporary economic theory has had great difficulty in fitting the modern corporation into its analytical framework. More than thirty years ago, such theorists as E. H. Chamberlin and Joan Robinson were able to integrate the idea *of "imperfect competition" into the neo-classical scheme, but the actions of the corporation do not easily fit the theory of the firm. For example, neo-classical economics assumes that a firm acts to maximize its profits. Yet as Robin Marris has argued* (The Economic Theory of Managerial Capitalism—*a study used by J. Kenneth Gailbraith as the basis of his observations in* The New Industrial State) *the corporation can seek to maximize growth rather than profit, and as often as not will forego immediate profit in favor of the promise of longer-term growth.*

Contemporary social theory is in equal difficulty. There is the argument, put forward by Gailbraith and Charles Reich, which sees a convergence of government and industry (as well as universities and foundations) into one bureaucratic web, which Reich has labeled, with echoes of Italian fascism, "The Corporate State." On the other hand, a classical liberal like Milton Friedman argues that government intervention eventually works against business, and that if traditional market principles are applied, the society would have a better distribution of resources in proportion to expressed wants.

All of these theoretical difficulties are at the heart of a practical set of questions: Are resources being distributed unwisely? How much economic growth is now desirable? Who is responsible for the "spillovers" which are destroying the environment and what is the best way of dealing with these effects? Do corporations have too much power (and what is meant by the phrase) and how is that power applied? Is there a major imbalance between the public and private sector? If one is to expand a public sector, how does one decide on which "public goods" are to be produced, and in what order?

There have been many attempted answers to these questions. In the last issue of The Public Interest, *we presented two synoptic opinions in the articles by Daniel Bell and E. J. Mishan. But the whole area is still befogged with controversy, even as to some of the crucial factual issues.*

One of the most comprehensive efforts to study this range of prob-

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lems is being undertaken by the Harvard University Program on Technology and Society in a project under the leadership of Robin Marris, of King's College, Cambridge. That project is in two parts. The first is an effort to recreate a plausible economic theory of business behavior that corresponds to today's realities. That technical effort, which includes papers by Robert M. Solow, Kenneth J. Arrow, John Lintner, and others was published in August 1971, under the title, The Corporate Economy, *edited by Robin Marris and Adrian Wood (Harvard University Press).*

Phase II of the project deals with the relation of the corporation to other institutions and probes three problems:

1. To what extent are the present-day difficulties of our society inherent in the very size of this society—i.e., in the consequences of individual behavior becoming exaggerated through massive aggregation? In other words, to what extent are our social dilemmas the traditional ones—now writ large—of the interactions of individuals having diverse wants?

2. To what extent do the problems we face reside primarily in given institutional arrangements, particularly the role of large organizations in the society?

3. How does one trace out the interconnections and interrelations of these two questions?

Over the next year or so, we shall present in The Public Interest *a number of papers emerging from this research. In this issue, we begin with a fascinating essay by Thomas C. Schelling, in which he argues that the interdependence of individuals in a tightly-packed urban society itself produces a set of new and major problems that cannot be solved by conventional economic or administrative methods. Thus—to take one of Professor Schelling's most striking findings —an aggregation of many "micromotives" can result in a society of tolerant, rational individuals creating more social or racial segregation than any single member desires or than the society itself deems socially desirable.*

The editors wish to thank Drs. Robin Marris and Emanuel G. Mesthene, Director of the Program, for their cooperation.

—Editors

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On the ecology of micromotives

THOMAS C. SCHELLING

THE man who invented traffic signals, if there was such a man, had a genius for simplicity. He saw that where two streets intersected there was confusion and lost time because people got in each other's way; and he discovered, probably by personal experience, that self-discipline and good will among travelers was not enough to straighten them out. Even the courteous lost time waiting for each other, and some who mistakenly thought it was their turn suffered collision.

With magnificent simplicity he divided all travelers into two groups, those moving east-west and those moving north-south, ignoring differences in vehicle size or the personal qualities of travelers. He put the traffic into an alternating pattern. He needed neither tickets nor schedules, nor did he have to make any traveler apply in advance for a reservation to cross the intersection. All necessary instructions could be reduced to a binary code in red and green lights; all travelers within the scope of the plan could be reached by visual signals; and a single alternating mechanism could activate both sets of lights.

There was no need to plan the day in advance; neither the lights nor the travelers needed to be synchronized with any other activity. Nor was there need for enforcement: Once travelers got used to the

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lights, they learned that it was dangerous to cross against a flow of traffic that was proceeding with confidence. The lights created the kind of order in which non-compliance carried its own penalty. And there was impartial justice in the way the lights worked. Unable to recognize individual travelers and their merits, the lights could hurt no one's feelings by not granting the favoritism anyone might have expected from a more sophisticated system. The lights were arbitrary, though, only within the range of tolerance of the typical traveler; it was worth no one's while to appeal the lights' decision or to seek special privilege in advance, because the benefits of privilege would be at most a few moments' time.

If the sluggard can be admonished to study the ant, the social planner is well-advised to study traffic signals. They remind us that, though planning is often associated with control, the crucial element is often coordination. People need to do the right things at the right time in relation to what others are doing. In fact, the most ingenious piece of planning ever introduced into society may have been our common scheme for synchronizing clocks and calendars. I do not set my watch at zero every morning on arising and let it run through the day on the decimal system; I have a watch just like yours, one that I coordinate with everybody else's at remarkably little cost. And I know nobody who cheats.

There is a great annual celebration of this accomplishment in early summer when we all set our watches ahead together for daylight saving. For the federal government to order us all to do everything an hour earlier would be an interference in our personal lives; it would confront everybody with discretionary decisions; we'd all have to check who had actually changed his schedule and who had not. But if we just set our watches ahead on the same night it all goes smoothly. And we haven't much choice.

Daylight saving itself is sweetly arbitrary. Why exactly one hour? When the ancients in the Middle East awkwardly divided the day into twenty-four parts, by a duodecimal system that corresponds to the Zodiac and the pence in an old shilling, obstinately disregarding the ten fingers that most of us count by, was it because they looked forward a millennium or two and realized that urban industrial society would want to shift the phase of its daily activities by exactly one twenty-fourth? Like the chickens that conveniently lay eggs of just the size that goes with a cup of flour, did some teleological principle make the unit for counting time exactly equivalent to the nine holes of golf that have to be squeezed in before summer darkness?

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I know a man who has calculated that clocks should be set ahead one hour and thirty-five minutes, and another whose habits make a forty-minute shift bring the sun over the yardarm at the right moment during his August vacation. I don't think they'll ever get a bill through the legislature—for the same reason that the sprinter who can do the fastest eighty-seven yards ever stop-watched cannot get a modest adjustment accepted by the Olympic Committee. When massive social acquiescence is imperative, a one-parameter proposition will dominate the more refined proposals, especially when interests diverge and people who think there is a choice will attempt to exercise it.

Keyboards, calendars and workweeks

Traffic signals and daylight saving both reflect the compelling forces toward *convergence* in many social decisions. Weights and measures, the pitches of screws, decimal coinage and right-hand drive are beyond the power of individual influence. Even for governments few such decisions are as easily manipulated as the one about what time we get up in the summer. Clock technology makes daylight saving markedly easier than switching steering posts and road signs to get all those cars on the other side of the road at the same moment. Coins circulate much more rapidly than screws and bolts; we'd be years working off the thread angles that we inherited in all of our durable hardware.

Decimal coinage and right-hand drive may be worth the heroic collective effort. Calendar reform would probably work. Spelling reform has been successfully organized; switching nationally to another language may require the extreme authority of a despot, the fervor of a religious cause, or polyglot confusion that leaves the focus of a new convergence open to manipulation.

The inertia of some of these social decisions is impressive and sometimes exasperating. The familiar English typewriter keyboard was determined before people learned to play the machine with both hands. Anyone who types could recommend improvements, and experiments have shown that there are superior keyboards that can be quickly learned. The cost of changing keys or even replacing machines would entail no great outlay, especially as typists on different floors of a building can type on different keyboards without disturbing each other. My children, though, apparently as long as they live, will use their ring fingers for letters more appropriate to the index.

Consider a problem akin to daylight saving but ever so much more

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complex, one that may be as far in the future as the design of the keyboard is in the past, but which we might wisely begin to anticipate in view of the collective inertia displayed by some of these social choices. The five-day workweek is fairly common in America. People may elect to take more of our increased productivity in leisure and a lesser proportion in the things that money buys. The four-day workweek may someday become attractive. There is no assurance that it will—the demand for material goods may prove to be elastic rather than inelastic—but there is no compelling reason to suppose that the trend toward shorter workweeks has reached its secular limit. (And if it has, the nine-hour day can still make the four-day week popular.) My question is, which day of the week do you want off? A parallel question: Which day off do you think we'll end up getting?

There are at least three different questions here. First, as individuals, if it is to be another day off during the week, which day off would one of us like? Second, collectively, if we must all have the same day off, which day would we like universally treated as a second Saturday? And third, if we were betting on the shape of the workweek for the year 2030, how would we place our bets?

The first question is complicated. The day you'd prefer to have off may depend on what days other people have off. A weekday is great for going to the dentist unless the dentist takes the same day off. Friday is a great day to head for the country, avoiding Saturday traffic, unless everyone has Friday off. Tuesday is no good for going to the beach if Wednesday is the day the children have no school; but Tuesday is no good for getting away from the kids if that's the day they don't go to school. Staggered days are great for relieving the golf courses and the shopping centers; but it may demoralize teachers and classes to have a fifth of the children officially absent from school each day of the week, and confuse families if the fourth-grader is home on Tuesday and the fifth-grader on Wednesday. And the children cannot very well go to school the day that the teacher isn't there, nor can the teacher go to the dentist on the day the dentist takes off to go to the beach with his children.

An important possibility is that we collectively like staggered workweeks, to relieve congestion and rush hours everywhere, but that we all slightly prefer to be among the 20 per cent who enjoy Friday so that we can go to the dentist if we need to or get away for the long weekend if our teeth need no repair. If everyone feels that way, we shall not end up dispersing ourselves among the days of the week, but instead we shall all pick Friday. Or we shall, up to the point where Friday has become so congested that, all things

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considered, it is no better than Wednesday. The roads are jammed, the queues are long at the golf tees or the ski lifts, not enough stores are open to make shopping worthwhile; and we have collectively spoiled Friday with congestion. As we often do on a new highway that draws increased traffic up to the point where congestion equalizes travel time with what it is on the old roads, we may have overcrowded Friday by freely exercising our individual choice.

Finally, what do you bet, if our grandchildren are all working four-day weeks half a century from now? Will they all have the same day off, or will they be dispersed through the week? If they have the same day off, which day will it be? And will it be the day that, put to a vote for fresh decision, could have won the election?

Two of the commonest forms of social regulation may be absent. Government may not regulate the day, as it does not regulate it now for those who work four days. And the "market" may work imperfectly or hardly at all. True, people may shop around for lines of work that offer the weekly schedules they'd like, just as people presumably do now, even for night shifts and weekend jobs. But the market is presently poor at regulating rush-hour traffic; it may be as poor at optimizing the distribution of days off.

An important possibility is that we arrive by small steps, each in the right direction, at a goal that is off in the wrong direction. The advantage of Friday may be overwhelming in the early stages before the four-day week has become widespread. The advantage of converging on the same day off, particularly through the influence of schools, may draw everybody into the Friday holiday. But Friday may not be the best day if everyone has it off. It may, though, be the only standard day off that could be reached step by step.

One can always hope for some ecological balance, some higher collective rationality, some goal-seeking evolutionary process. But it has not worked for staggered rush hours, which are substantially uninfluenced by government. And we seem legislatively unable to distribute Washington's Birthday town by town among the different weeks of February to smooth the peak loads for airline travel and ski-lift operation.

Meanwhile we can give thanks for small blessings, like our ability to synchronize daylight saving.

Expressway society

A strange phenomenon on Boston's Southeast Expressway is reported by the traffic helicopter. If a freak accident, or a severe one,

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occurs in the southbound lane in the morning, it slows the northbound rush-hour traffic more than on the side where the obstruction occurs. People slow down to enjoy a look at the wreckage on the other side of the divider. Curiosity has the same effect as a bottleneck. Even the driver who, when he arrives at the site, is ten minutes behind schedule is likely to feel that he's paid the price of admission and, though the highway is at last clear in front of him, will not resume speed until he's had his look, too.

Eventually large numbers of commuters have spent an extra ten minutes driving for a ten-second look. (Ironically, the wreckage may have been cleared away, but they spend their ten seconds looking for it, induced by the people ahead of them who seemed to be looking at something.) What kind of a bargain is it? A few of them, offered a speedy bypass, might have stayed in line out of curiosity; most of them, after years of driving, know that when they get there what they're likely to see is worth about ten seconds' driving time. When they get to the scene the ten minutes' delay is a sunk cost; their own sightseeing costs them only the ten seconds. It also costs ten seconds apiece to the three score motorists crawling along behind them.

Everybody pays his ten minutes and gets his look. But he pays ten seconds for his own look and nine minutes, fifty seconds for the curiosity of the drivers ahead of him.

It is a bad bargain. More correctly, it is a bad result because there is no bargain. As a collective body, the drivers might overwhelmingly vote to maintain speed, each foregoing a ten-second look and each saving himself ten minutes on the freeway. Unorganized, they are at the mercy of a decentralized accounting system according to which no gawking driver suffers the losses that he imposes on the people behind him.

Returning from Cape Cod on a Sunday afternoon, motorists were held up for a mile or more, at a creeping pace, by a mattress that had fallen off the top of some returning vacationer's station wagon. Nobody knows how many hundreds of cars slowed down a mile in advance, arrived at the mattress five minutes later, waited for the oncoming traffic and swerved around before resuming speed. Somebody may eventually have halted on the shoulder just beyond the mattress and walked back to remove it from the traffic lane. If not, it may still have been there the following Sunday.

Again there was no bargain. Failing the appearance of a driver in a mood to do good—not a common mood on a hot highway with hungry children in the back seat—somebody would have had to be elected to the duty or compensated for performing it. Nobody gains

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by removing the mattress after he has passed it, and nobody can remove it until he has passed it.

Even a hastily organized lottery to determine who should stop and remove the thing would not have worked, had the organizational prerequisites been met, because no one gains from joining a lottery with the people behind him, and the people in front feel the same about him. Had the traffic helicopter been there, it might have proposed that each among the next hundred motorists flip a dime out the right-hand window to the man who removed the mattress as they went by. This would have given the road clearer a property right in the path he had opened, yielding a return on his investment and a benefit to the consumers behind him. But a long string of automobiles united only by a common journey, without voice communication and any way to organize a mobile town meeting as they approach the mattress, is unlikely to get organized. So we give thanks for the occasional occurrence of individual accounting systems that give a positive score for anonymous good turns. Or for state-financed road patrols that get the organization problem solved before the mattress falls off that car. Or even for a police helicopter that has the authority, on pain of revoking auto registration, to order a car—any car—to stop and remove the mattress, as long as the likelihood is small that it is our car that will lose the lottery.

Private choice and public interest

Both the curiosity on the Southeast Expressway and the urge to get home once the mattress has been passed illustrate universal situations of individual decision and collective interest. People do things, or abstain from doing things, that affect others, beneficially or adversely. Without appropriate organization, the results may be pretty unsatisfactory. "Human nature" is easily blamed; but accepting that most people are more concerned with their own affairs than with the affairs of others, and more aware of their own concerns than of the concerns of others, we may find human nature less pertinent than social organization. These problems often do have solutions. The solutions depend on some kind of social organization, whether that organization is contrived or spontaneous, permanent or ad hoc, voluntary or disciplined.

In the one case—pausing to look at the wreck—the problem is to get people to *abstain* from something that imposes costs on others. In the second case—yanking the mattress off the cement—the prob-

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lem is to get somebody to take the trouble to *do* something that benefits himself not at all but will be highly appreciated.

Another distinction is that the first case involves *everybody,* the second *somebody.* We can easily turn the mattress case around and make it an act of carelessness that hurts others, not an act of good will for their benefit. Whoever tied the mattress carelessly may have considered the loss of the mattress in case the knot came loose, but not the risk that a thousand families would be late getting home behind him. So also on the Expressway we can drop our prejudices against morbid sightseeing and just suppose that people are driving comfortably along minding their business. They are in no great hurry but somebody behind them is, in fact a lot of people. It is worth a lot of time collectively, and maybe even money, to get the unhurried driver to bestir himself or to pick another route. He needn't feel guilty; he may even want something in return for giving up his right of way to people who like to drive faster; but without organization he may know nothing about the hurry they are in behind him, and care even less.

A good part of social organization—of what we call society—consists of institutional arrangements to overcome these divergences between perceived individual interest and some larger collective bargain. Some of it is market-oriented—ownership, contract, damage suits, patents and copyrights, promissory notes, rental agreements, and a variety of communications and information systems. Some have to do with government—taxes to cover public services, protection of persons, a weather bureau if weather information is not otherwise marketable, one-way streets, laws against littering, wrecking crews to clear away that car in the southbound lane and policemen to wave us on in the northbound lane. More selective groupings—the union, the club, the neighborhood—can organize incentive systems or regulations to try to help people do what individually they wouldn't but collectively they may wish to do. And our morals can substitute for markets and regulations, in getting us sometimes to do from conscience the things that in the long run we might elect to do only if assured of reciprocation.

What we are dealing with is the frequent divergence between what people are individually motivated to do and what they might like to accomplish together. Consider the summer brown-out. We are warned ominously that unless we all cut our use of electricity in midsummer we may overload the system and suffer drastic consequences, sudden black-outs or prolonged power failures, unpredictable in their consequences. In other years we are warned of

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water shortages; leaky faucets account for a remarkable amount of waste, and we are urged to fit them with new washers. There just cannot be any question but what, for most of us if not all of us, we are far better off if we *all* switch off the lights more assiduously, cut down a little on the air-conditioning, repair the leaky faucets, let the lawns get a little browner and the cars a little dirtier, and otherwise reduce our claims on the common pool of water and electric power. For if we do not, we suffer worse and less predictably —the air-conditioner may be out altogether on the hottest day, and all lights out just when we need them, when overload occurs or some awkward emergency rationing system goes into effect.

But turning down *my* air-conditioner, or turning the lights out for five minutes when I leave the room, or fixing that leaky faucet can't do *me* any good. Mine is an infinitesimal part of the demand for water and electricity, and while the minute difference that I can make is multiplied by the number of people to whom it can make a difference, the effect on me of what I do is truly negligible.

Within the family we can save hot water on Friday night by taking brief showers, rather than racing to be first in the shower and use it all up. But that may be because within the family we care about each other, or have to pretend we do, or can watch each other and have to account for the time we stand enjoying the hot water. It is a little harder to care about, or to be brought to account by, the people who can wash their cars more effectively if I let my lawn burn, or who can keep their lawns greener if I leave my car dirty.

The social contract

What we need in these circumstances is an enforceable social contract. I'll cooperate if you and everybody else will; I'm better off if we all cooperate than if we all go our separate ways. In matters of great virtue and symbolism, especially in emergencies, we may all become imbued with a sense of solidarity, and abide by a golden rule. We identify with the group and we act as we believe or hope or wish to be the way that everybody acts. We enjoy rising to the occasion, rewarded by a sense of virtue and community. And indeed a good deal of social ethics is concerned with rules of behavior that are collectively rewarding if collectively obeyed (even though the individual may not benefit from his own participation). But if there is nothing heroic in the occasion; if what is required is a protracted nuisance; if one feels no particular community with great numbers of people who have nothing in common but connected

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water pipes; if one must continually decide what air-conditioned temperature to allow himself in his own bedroom, or whether to go outdoors and check the faucet once again; and especially if one suspects that large numbers of people just are not playing the game —most people may cooperate only halfheartedly, and many not at all. And then when they see the dribbling faucet from which the pressure is gone, or read that the electrical shortage is undiminished in spite of exhortations to turn off the air-conditioners, even that grudging participation is likely to be abandoned.

The frustration is complete when a homeowner, stepping onto his back porch at night, cocks his head and hears the swish of invisible lawn sprinklers in the darkness up and down the block, and damns the lack of enforcement as he turns the handle on his own sprinkler, making it unanimous.

There is no inconsistency in what the man damned and what he did. He wants the ban enforced; but if it is not enforced he intends to water his lawn, especially if everybody else is doing it. He's *not* interested in doing minute favors for a multitude of individuals, most of whom he doesn't know, letting his lawn go to ruin; he *is* willing to enter a bargain, letting his lawn go to ruin if they will let theirs go the same way, so that they can all have unrestricted use of their showers, washing machines, toilets and sinks. Voluntarism may work for the United Nations Children's Fund; but not many suburbanites will sacrifice their lawns for the sake of unknown suburbanites who will never know to whom they owe an imperceptible increase in their water pressure.

The trouble is often in making the bargain stick. Water meters capable of shifting gears at peak-load times of day, with weekly water rates or water rations publicized through the summer, would undoubtedly take care of the problem. But fancy meters are expensive; fluctuating rates are a nuisance and hard to monitor; large families with lots of dirty clothes to wash will complain at the rates while a childless couple can afford to wash its new car; and long before an acceptable "solution" has been devised and publicized, a wet, cold autumn ensues and the problem now is to devise a scheme of mandatory snow tires on select roads in time for that unexpected early snowstorm that snarls everything up because my car, skidding sideways on a hill, blocks your car and all the cars behind you. In waiting to get my snow tires at the after-Christmas sales, I was gambling *your* dinner hour against the price of *my* tires.

Sometimes it takes only a fraction of us to solve the worst of the problem. If the electrical overload that threatens is only a few per

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cent, half of us may find a way to enforce a voluntary restriction, and avoid the breakdown. It infuriates us that the other half don't do their share. It especially infuriates us if the other half, relieved of whatever anxiety might have made them a little more conscious of wasted electricity, now relax and leave their lights on in the comfortable knowledge that, to prevent black-out, we have turned off our electric fans. Still, if we don't charge too much for spite, it can be a good bargain even for the half of us that carry the whole load. The "free riders" are better off than we are, but the cooperative half may be better off for having found a way to make ourselves cut back in unison.

Sometimes it won't work unless nearly everybody plays the game. Trashcans in our nation's capital say that "Every Litter Bit Hurts," but it is really the first litter bits that spoil a park or sidewalk. Ten times as much makes it worse, but not ten times worse. It takes only one power mower to turn a quiet Sunday morning into the neighborhood equivalent of a stamping mill; indeed the speed with which a few timid homeowners light up their machines, once the first brazen neighbor has shattered the quiet with his own three-and-a-half horsepower, suggests that they expect no reproach once it's clear that it's beyond their power to provide a quiet Sunday by merely turning off one machine among several.

Morality and virtue probably work this way. Whatever the technology of cooperative action—whether every litter bit hurts, or the first few bits just about spoil everything—people who are willing to do their part as long as everybody else does, living by a commonly shared golden rule, enjoying perhaps the sheer participation in a common preference for selflessness, may have a limited tolerance to the evidence or to the mere suspicion that others are cheating on the social contract, bending the golden rule, making fools of those who carefully minimize the detergent they send into the local river or who carry away the leaves they could so easily have burned.

Some win, some lose

There are the cases, though, in which not everybody gains under the social contract. Some gain more than others, and some not enough to compensate for what they give up. An agreement to turn off air-conditioners, to make sure that electric lights and the more essential appliances can keep functioning, may be a bad bargain for the man with hay fever, who'd rather have a dry nose in darkness

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than sneeze with the lights on. A ban on outdoor uses of water may be a crude but acceptable bargain for most people, but not the man whose joy and pride is his garden. A sudden police order to go full speed past that accident on the Expressway is a welcome relief to the people who still have a mile or so to crawl before they get to the scene of the accident; those who have been crawling for ten minutes and are just at the point of having a good look will be annoyed. Ten minutes ago they would not have been; but ten minutes ago somebody ahead of them would have been. A ban on river pollution helps people the more, the farther downstream they are; the person farthest upstream gets nothing for his participation. But there cannot be a ban that does not include somebody who is farthest upstream.

If participation requires unanimous consent, it may be necessary and it may be possible to compensate, for their participation, those to whom the advantages do not cover the costs. Compensation does complicate the arrangements, though, and when that man who loved his garden gets paid for seeing it wither, his neighbors may suddenly begin to discover how much they really loved their own gardens.

In economics the most familiar cases of this general phenomenon involve some resource or commodity that is scarce, inelastic in supply, but freely available to all comers until the supply has run out. Whales belong to no one until they are caught; they then belong to the people who catch them, who can sell them for money. If there is no limit on whaling and whalers, whaling activity will press on to the point where the sales price of whale products barely covers the cost of capture. But at that point nobody is benefiting from the abundant whales, because at this intensity of whaling, the whales are scarce. With rationing, a larger whale population might be harvested at smaller cost.

The most striking case may have been that of the buffalo, 20 or 30 million of whom roamed the plains west of the Mississippi at the end of the Civil War. As meat they were not marketable; rail transport of live animals had not reached the west. Their tongues were delicious and drew a high price, and for several years there was a thriving business in buffalo tongues, each of which left behind a thousand pounds of rotting meat. Then the hides became marketable and that was the end; 20 billion pounds of live meat was turned to rotting carcasses in the course of half a dozen years. Wagon trains detoured to avoid the stench of decaying buffaloes; and, roughly, for every five pounds of buffalo meat left on the ground, somebody

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got a penny for the hide. At any plausible interest rate the buffalo would have been worth more as live meat 15 years later, when marketing became feasible, but to the hunter who killed 50 a day for their hides, it was that or nothing now. There was no way that he could claim a cow and market his property right in her offspring 15 years later.

Whales and electricity, buffaloes and the water supply: scarce to the community but "free" to the individual as long as they last. In the small the same phenomenon occurs when half a dozen businessmen tell the waiter to put it all on a single check; why save $1.80 for the group by having hamburger, when the steak costs the man who orders it only 30¢ more? People drink more at a party where the drinks are free and everybody is assessed his fraction of the total cost afterwards; it's a great way to get people to drink more than they can afford, and conviviality may recommend it, but the manager of a club would have to be out of his mind to propose that each month's long-distance phone bill be merely divided equally among all the members.

The new Malthusianism

Congestion is what we call it when we'd rather swim in that water than sprinkle it on our lawns. A beach can be so crowded that we wonder whether the people can actually be enjoying themselves. They might not be there if they weren't, but that does not mean they are enjoying it *much*. And some find the beach so crowded that they'd be happier not to have come.

Economics illustrates congestion by the example of a road through the wilderness. Before the road, everybody who travelled made his way across the countryside. The new road is supremely attractive, but lacks the capacity to accommodate everyone who wishes to use it. People flock to the road until traffic density reduces the attractiveness of the road to a point where people are indifferent between the old way, overland, and the new way, crammed together on a congested road. As long as the road is *any* better than the countryside, people will abandon the old way and join the crowd on the road. When the two modes of travel are just equalized, the smooth, dry surface and the moderate grades of the road being offset by overcrowding, the system will have reached "equilibrium." And what an equilibrium it is! Everyone using the road might as well, or almost as well for all he enjoys it, be picking his way through the wilderness.

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Not quite. When the population is divided between the two routes, some will prefer the road and some the countryside, according to age, strength, taste, load, style of locomotion, and all of that. But if people are nearly alike, when the road is so packed that it offers no attraction to anyone traveling the countryside it will yield equally little advantage to anyone using the road.

With less traffic the value could have been substantial for those who got to use it. Making it freely available means that anyone who might have been excluded, under a scheme to limit the traffic, becomes privileged to share a useless asset rather than to envy the few who share a valuable one.

Traditionally this problem has been associated with common grazing grounds. If everyone has the right to graze his cattle on the common, and the common is small compared with the alternative forage available, the common will be crowded with cattle to the point where it no longer offers any advantage because so much grass is trampled, and the shares per cow are so small, that it is barely worth the daily round trip.

We can call this a shortage of grass or, alternatively, a congestion of cattle. The latter formulation has advantages. It is often the case with congestion that the scarce capacity is so misused by overcrowding that much of the value dissipates, perhaps all of it. And the term, "congestion," reminds us that people who crowd each other in sharing some facility often impinge on each other in many ways, not alone in competing to consume the facility that attracted them. People using an overloaded switchboard not only complete fewer calls than they would like but spend time dialing busy signals or waiting for calls that cannot come in; and urgent calls often await the leisurely completion of idle conversations by callers who, once they get on the line, have it as long as they choose to keep it but know they cannot readily get it back.

The cattle on the common have their counterpart in the natural behavior of some species of wildlife. While some animal populations have apparently developed social practices that restrict population size relative to available food, others tend, when food supply is above the bare minimum for survival, to produce enough offspring to keep the numbers of mouths and stomachs increasing until the food supply, once able to sustain reproductive growth, just sustains survival. This is the tendency Thomas Malthus ascribed to the human race.

And indeed, as Garrett Hardin has recently pointed out, the earth itself, though compartmented against migration, is like an immense

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commons for whose husbandry no one is responsible.[1] Individually and collectively we can deprecate an American population of 300 million by the end of the century, but we should probably not expect many mothers and fathers who want three or four children to stop at two (or who want one or two to do without, or who want five or six to stop at three or four) to help reduce the crowding for the other 299-odd million with whom their grandchildren will have to share the ground, the air and the sunshine.

The new Malthusianism differs from the 19th century kind in several respects. First, at least in the higher-income countries, food supply does not play a unique role, nor even consumer-goods generally, but shares attention with the disposal of wastes, the management of space and traffic, noise and the loss of privacy. Second, many of the costs of rearing children are socially shared, and therefore do not directly deter family growth. Third, the Malthusian model was one of stationary equilibrium: When hunger, or hunger-induced debility, determined a barely self-perpetuating level of the population, it was not expected to be a level that destroyed the earth itself. Had Malthus not written for temperate climates, he might have been more concerned at what overpopulation can do in less-favored climates. Overgrazing and "slash and burn" cultivation can irreversibly damage the soil and the ground cover, and the ensuing desert sustains a smaller subsistence population than the one that began ruining the resources it lived on.

Afforestation may reclaim some of the denuded land that earlier appeared "permanently" ruined. Biologically, rivers refresh themselves but lakes can die. Which way it goes on balance for earth in

[1]Garrett Hardin, "The Tragedy of the Commons," *Science*, 162 (December 13, 1968), pp. 1243-48. This article, now widely reprinted and acquiring the status of a classic, argues the unlikelihood of technical solutions to problems of this sort, the inefficacy of appeals to conscience, and the need for new social arrangements—"mutual coercion, mutually agreed upon." Beryl L. Crowe responded pessimistically a year later, "The Tragedy of the Commons Revisited," *Science*, 166 (November 28, 1969), pp. 1103-07, declaring himself equally "suspicious of the success of either demands or pleas for fundamental extensions in morality" and similarly doubtful of "technical solutions" but less willing to place his bets on political innovation. Most recently a study prepared under the National Academy of Sciences on what to do about rapid population growth has given evidence that any truth contained in this essay is not self-evident. "We base our first recommendation on the ethical premise that freedom and knowledge should be extended so that people can act in their own best interest—both individually and collectively. It seems quite contrary to society's highest aspirations for men to assume, as some do, that their salvation can be accomplished only through coercion." (National Academy of Sciences, *News Report*, vol. 21, June-July 1971, pp. 4, 6.) Isn't there a softer word than "coercion"—something like "enforceable agreement," or Hardin's "mutual coercion, mutually agreed upon," or just "incentives" that reflects more nearly the collectively borne costs of the privately borne additions?

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the future is hard to say, but not everything remains in a "steady state" once the overloading has reached temporary equilibrium.

The dark side of plenty

Pollution is a little like congestion: It is what you tend to have when there are too many people around, doing what people do—burning trash or gasoline, breathing, flushing toilets, doing their own laundry or sending it out, killing bugs, heating water to make steam and cooling steam to make a vacuum, and generally overusing that great heritage of natural disposal and dispersal systems, wind and running water. Unlike congestion, pollution rarely represents too much of a good thing. Not even the most frustrated librarian prefers to have no one ever read his books, but he may wish that none of his readers smoked.

Still, though a little pollution is rarely a good thing, there are kinds that are not bothersome until they reach some critical density. That may be why some problems of pollution were barely recognized as problems before they became intolerable or, worse, beyond remedy.

It is interesting—but not the subject of this paper—why pollution in its various forms is more of a problem now than it used to be, or seems so. There are some obvious reasons: We live more densely, burn more energy, generate more wastes, and create "unnatural" substances that bacteria won't eat and that were designed to be tough, rust-free and insoluble. Rising standards of living make us less tolerant of conditions that people used to take for granted. Some pollution is the apparent evil of a small number of firms or industries, and one of today's fads may be attacking businesses for what they do to the environment rather than for the more traditional shortcomings of capitalist management. But there is also a new element.

In earlier times it was easy to believe that dirty streets, foul air, bad sanitation and heaps of refuse were, like the other burdens and privations of life, transient manifestations of a standard of living that would eventually be superseded by greater wealth, ever-increasing productivity, and the ineluctable promotion of most people to income levels that were earlier enjoyed by only the few—income levels at which one could buy a clean environment or escape from a dirty one if he chose to spend his money that way. Now people are beginning to doubt it. Pollution, litter, noise, wastes and unsightliness are being recognized as by-products of the very processes

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that were expected to bring about their abatement. We cannot leave the trash behind if we have no place to go. We cannot together get rid of it by dumping it in each other's neighborhoods. (It used to be said that we could not all get rich by taking in each other's wash; now it looks as though we cannot even get clean that way, detergents having become the newest kind of dirt.) We cool and clean the air with electricity, making rivers tepid and dirtying air with smoke in the process. And those of us old enough to remember when you could barely hear the music for the static on the radio have seen fidelity lose the race against energy, and nowadays cannot hear the music for the other fellow's radio.

The Malthus of today can take his inspiration from the wine bottle. The yeasts that ferment the grape juice produce alcohol as a waste; they foul their own environment. The waste gets denser and denser until they die in it. The upper limit of natural fermentation (about 16 per cent alcohol) is merely the extinction of their small civilization, suffocation in their own excrement, the end of their little earth. They reach their sublime equilibrium and perish. But what Omar Khayyam will sing of our oceans when they are too befouled to support human life?

This idea that virtue brings its own penalty, that soap is its own kind of dirt, that goods are not consumed but merely converted into bads and that we cannot forever dispose of waste over the back fence because someone lives there, does not mean that we have an unsolvable problem—just that we have a problem. It is disappointing to discover that material progress comes at a price; but the high price may be less the ineluctable concomitant of material progress than of social institutions that evolved before we were powerful enough to endanger our environment permanently. Our institutions developed when the problem was a scarcity of goods, not a plethora of bads. For most people that is still the problem. Not all of the bads are on a cosmic scale; insecticides creep up on us all over the world, but pollution in Lake Tahoe is a local lesson that can be learned by tens of millions of people who would never have swum there anyhow. (If there is sand in the Sahara where once cattle grazed it is not because the problem of overgrazing was unsolvable, but because it was unsolved.)

The worst things in life are free

A history of economic institutions might be written as a history of property rights. Scarce resources have to be husbanded, crops

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have to be planted and herds accumulated, roads built and canals dug; people must be induced to come within reach of each other to exchange commodities, and the two sides to an exchange have to be separated in time by some recognition of debt or obligation. Johnny Appleseed left a legacy for strangers to enjoy in a later generation, and on the Appalachian Trail campers may leave kindling behind in return for what they found waiting; but in most human cultures people will not cultivate crops without a claim to the harvest, build houses that they can be crowded out of, or carry goods to market that will be pounced on as free for the taking. Seal cubs today like the buffalo a hundred years ago are a property that nobody owns, and if nobody owns it, anybody owns it.

But throughout most of history it has been the supply of *goods* that has been inelastic, not the supply of *bads*. True, vandalism has been made illegal (when it involves physical contact) and an elaborate law of torts has been developed for the cases in which one person can identify another who has done him harm. There are some property rights in God's bounty, but they are not well developed. (Some English buildings have "ancient lights"—access to the sky that may not be obstructed—and governments do ration radio frequencies.) But for the most part our institutions were developed to *help* us keep things, not to *make* us keep them; to economize scarce goods, not to suppress the bads; to keep others from removing what we wanted, not from leaving behind what they were through with. Medicines are proprietary but germs are free; I own the tobacco that I plant in my field, but you may have the smoke free of charge. I can have you arrested if you steal my electric amplifier, but help yourself to the noise.

There are two inadequacies in our inherited institutions. First, though some among us care about the nuisances they generate, they do not *have* to care, because they are not accountable. If you leave your engine running, you pay for the gasoline but not for the exhaust. And, second, even if we care we may have no way of *knowing*. The hostess will occasionally tell me that my cigar is bothering another passenger; but I truly do not know how much my son's use of penicillin contributes to the evolution of penicillin-resistant bacilli.

We are going to need some new accounting systems. We are going to need ways of measuring the bads and comparing them with the goods. We are going to need ways to make people both *know* and *care* about the nuisances they commit, and not merely care in being

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concerned, but care in a way that guides them in a multitude of actions that are neither wholly bad nor wholly good.

It takes more than institutions, of course. We shall continue to discover—late—that one man's poison is another man's poison but they poison different things. Nowadays things can go from bad to worse rapidly (even though those 30 million buffalo may still hold an American record for environmental impoverishment).

With straightforward congestion we usually know what is wrong; the problem is clear, it is the solution that is difficult. With pollution, noise and environmental degradation, we often do not even see what the problem is. Once we see it, we still have to organize our behavior to bring our by-products under the "social contract" that long ago began to govern the goods themselves.

Sorting and scrambling

Minor-league players at Dodgertown—the place where Dodger-affiliated clubs train in the spring—are served cafeteria-style. "A boy takes the first seat available," according to the general manager. "This has been done deliberately. If a white boy doesn't want to eat with a colored boy, he can go out and buy his own food. We haven't had any trouble."[2]

Major-league players are not assigned seats and, though mixed tables are not rare, they are not the rule either. If we suppose that major- and minor-league racial attitudes are not strikingly different, we may conclude that racial preference in the dining hall is positive but less than the price of the nearest meal. Actually, though, there must be an alternative: Whites and blacks in like-colored clusters can *enter* the line together and, once they have their trays, innocently take the next seats alongside each other. Evidently they don't; if they did, some scrambling system would have had to be invented. Maybe we conclude, then, that the racial preferences, though enough to make separate eating the general rule, are not strong enough to induce the slight trouble of picking partners before getting food. Or perhaps we conclude that players lack the strategic foresight to beat the cafeteria line as a seat-scrambling device.

But even a minor-league player knows how to think ahead a couple of outs in deciding whether a sacrifice fly will advance the ball team. It is hard to believe that if a couple of players

[2]Charles Maher, "The Negro Athlete in America," *The Los Angeles Times* Sports Section, March 29, 1968.

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wanted to sit together it would not occur to them to meet at the beginning of the line; and the principle extends easily to segregation by color.

We are left with some alternative hypotheses. One is that players are relieved to have an excuse to sit without regard to color, and cafeteria-line scrambling relieves them of an embarrassing choice. Another, consistent with that one, is that most players can ignore, or accept, or even prefer, mixed tables but become uncomfortable or self-conscious, or think that others are uncomfortable or self-conscious, when the mixture is lopsided. Joining a table with blacks and whites is a casual thing, but being the seventh at a table with six players of opposite color, or the eighth where the ratio is six to one, imposes a threshold of self-consciousness that spoils the easy atmosphere and can lead to complete and sustained separation.

Middle-class hostesses are familiar with the problem. Men and women mix nicely at stand-up parties until, partly at random and partly because a few men or women get stuck in a specialized conversation, some clusters form that are nearly all male or all female; and selective migration leads to the cocktail-party equivalent of the Dodgertown major-league dining hall. Hostesses, too, have their equivalent of the cafeteria-line rule: They alternate sexes at the dinner table, grasp people by the elbows and move them around the living room, or bring in coffee and make people serve themselves to disturb the pattern.

Sometimes the problem is the other way around. It is usually good to segregate smokers from non-smokers in trains and planes and other enclosed public places; swimmers and surfers should be segregated in the interest of safety; and an attempt is made to keep slow-moving vehicles in the right-hand lane of traffic. Many of these dichotomous groupings are asymmetrical: Cigar smokers are rarely bothered by people who merely breathe; the surfer dislikes having his board hit anybody in the head but there is somebody else who dislikes it much more; and the driver of a slow truck passing a slower one on a long grade is less conscious of who is behind him than the man behind is of the truck in front. Styles of behavior differ: Surfers like to be together, and cluster somewhat in the absence of regulation; water-skiers prefer dispersal and are engaged in a mobile sport, and rarely reach accommodation with swimmers on how to share the water.

These several processes of separation, segregation, sharing, mixing, dispersal—sometimes even pursuit—have a feature in common.

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The consequences are aggregate but the decisions are exceedingly individual. The same is true, say, of marriage: Hardly anyone picks a spouse according to a genetic plan, but because marital pairing is non-random, linguistic and cultural patterns persist. The family swimmer who avoids the part of the beach where the surfers are clustered, and the surfer who congregates where the surfboards are, are reacting individually to an environment that consists mainly of other individuals who are reacting likewise. The results can be unintended, even unnoticed. Non-smokers may concentrate in the least smoky railroad car; as that car becomes crowded smokers, choosing less crowded cars, find themselves among smokers, whether they notice it or not, and less dense, whether they appreciate it or not. Lady shoppers may all slightly prefer the ice cream parlor that has the fewer teenagers; collectively they then swamp it. Maybe they like it that way, but the fact that they become totally segregated does not prove that they like it; and if teenagers do not spend enough to support the place they inherit, it may close and leave them no place to go but where the ladies went.

The more crucial phenomena are of course residential decisions and others, like occupational choice, inter-city migration, schools and churches, where the separating and mixing involve lasting associations that matter. The minor-league players who eat lunch at Dodgertown have no cafeteria line to scramble their home addresses; and even if they were located at random, they would usually not be casually integrated, because mixed residential areas are few and the choice, for a black or for a white, is between living among blacks or living among whites—unless even that choice is constrained.

It is not easy to tell from the gross aggregate phenomenon just what the motives are behind the individual decisions, or how strong they are. The smoker on an airplane may not even know that the person in front of him is sensitive to tobacco smoke; the water-skier might be willing to stay 400 yards off shore if doing so didn't just leave a preferred strip to other skiers. The clustered men and women at that cocktail party may be awfully bored and wish the hostess could shake things up, but without organization no one can do any good by himself. And people who are happy to belong to a club or to work where English and French are both spoken may find it uncomfortable if their own language falls to extreme minority status; and by withdrawing they will aggravate the situation that induced them to withdraw.

People who have to choose between polarized extremes—a white neighborhood or a black, a French-speaking club or one where

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English alone is spoken, a school with few whites or one with few blacks—will often choose the way that reinforces the polarization. Doing so is no evidence that they prefer segregation, only that, if segregation exists and they have to choose between exclusive associations, people elect like rather than unlike environments.

Arithmetic plays a role. If blacks are a tenth of the population we cannot have the whole country integrated except in nine-to-one ratio; if that ratio makes blacks uncomfortable and they withdraw in the interest of less extreme "integration," the mechanism of withdrawal may or may not be compatible with mixed living. If it is, arithmetic determines what fraction of the whites must stay away so that the black-white ratio in the mixed environment can remain within comfortable limits. If blacks are willing to be the minority but not smaller than one quarter, and whites willing to mix equally but not in minority status, the limits are 3:1 and 1:1; and in a population 90 per cent white, two thirds of the whites have to stay apart or they swamp the whole arrangement.

The dynamics are not always transparent to cursory analysis. There are chain reactions, exaggerated perceptions, lagged responses, speculation on the future, and organized efforts that may succeed or fail. Three people may break leases and move out of an apartment without being noticed, but if they do it the same week somebody notices and comments, alerting the residents to whether the whites or the blacks or the elderly, or the families with children or the families without, are moving away to avoid minority status and generating, as they do, the situation they thought they foresaw.

Some of the processes may be passive, systemic, unmotivated but nevertheless biased. If job vacancies are filled by word of mouth or apartments go to people who have acquaintances in the building, and if boys can marry only girls they know and can know only girls who speak their language, a biased communication system will preserve and enhance the prevailing homogeneities.

We can work it out

Some vivid dynamics can be generated by any reader with a half-hour to spare, a roll of pennies and a roll of dimes, a tabletop, a large sheet of paper and a spirit of scientific inquiry or, lacking that spirit, a fondness for games.

Get a roll of pennies, a roll of dimes, a ruled sheet of paper divided into one-inch squares, preferably at least the size of a checkerboard (64 squares in eight rows and eight columns) and

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find some device for selecting squares at random.[3] We place dimes and pennies on some of the squares, and suppose them to represent the members of two homogeneous groups—men and women, blacks and whites, French-speaking and English-speaking, officers and enlisted men, students and faculty, surfers and swimmers, the well dressed and the poorly dressed, or any other dichotomy that is exhaustive and recognizable. We can spread them at random or put them in contrived patterns. We can use equal numbers of dimes and pennies or let one be a minority. And we stipulate various rules for individual decision.

For example, we could postulate that every dime wants at least half its neighbors to be dimes, every penny wants a third of its neighbors to be pennies, and any dime or penny whose immediate neighborhood does not meet these conditions gets up and moves. Then by inspection we locate the ones that are due to move, move them, keep moving them if necessary and, when everybody on the board has settled down, look to see what pattern has emerged. (If the situation never "settles down," we look to see what kind of endless turbulence or cyclical activity our hypotheses have generated.)

Define each individual's neighborhood as the square territory surrounding him. We suppose it to be the eight surrounding squares; he is the center of a 3 x 3 neighborhood. He is content or discontent with his own local neighborhood according to the mix of colors among the occupants of those eight surrounding squares, some of which may be empty. We furthermore suppose that, if he is discontent with the color of his own neighborhood, he moves to the nearest empty square that meets his minimum demands.

As to the order of moves, we can begin with the discontents nearest the center of the board and let them move first, or start in the upper left and sweep downward and to the right, or let all the dimes move first and then the pennies; but it usually turns out that the precise order is not crucial to the outcome.

Then we choose an overall ratio of pennies to dimes, the two colors being about equal or one of them being a "minority." There are two basically different ways we can distribute the dimes and the pennies. We can put them in some prescribed pattern that we want to test, or we can spread them at random. (The two ways can be combined, as will be illustrated.)

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[3]A table of two-digit random numbers, the digits identifying row and column, is ideal if available. There are, however, ways of using dice, coins, roulette wheels, decks of cards, spinning devices and other bits of machinery to generate equi-probable number selections to determine row and column.

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Let us start with equal numbers of dimes and pennies and suppose that the demands of both are "moderate"—that each wants something more than one-third neighbors like himself. The number of neighbors that a coin can have will be anywhere from zero to eight. We make the following specification of demands. If a person has one neighbor, he must be the same color; of two neighbors, one must be his color; of three, four or five neighbors, two must be his color; and of six, seven or eight neighbors, he wants at least three.

It is possible to form a pattern that is regularly "integrated," and in which everybody is satisfied. A simple alternating pattern does it (figure 1), on condition that we take care of the corners.

```
  # O # O # O
# O # O # O # O
O # O # O # O #
# O # O # O # O
O # O # O # O #
# O # O # O # O
O # O # O # O #
  O # O # O #
```

Figure 1

No one can move, except to a corner because there are no other vacant cells; but no one wants to move. We now mix them up a little, and in the process empty some cells to make movement feasible.

There are 60 coins on the board. We remove 20, using a table of random digits; we then pick 5 empty squares at random and replace a dime or a penny with a 50/50 chance. The result is a board with 64 cells, 45 occupied and 19 blank. Forty individuals are just where they were before we removed 20 neighbors and added 5 new ones. The left side of figure 2 shows one such result, generated by exactly this process. The #'s are dimes and the O's are pennies; alternatively, the #'s speak French and the O's speak English, the #'s are black and the O's are white, the #'s are boys and the O's are girls, or whatever you please.

```
— # — # O # — O        — — — # — # — —
# # # O — O # O        — — — — — — — —
— # O — — # O #        — — — — — — — —
— O # O # O # O        — — # — # — # —
O O O # O O O —        — — — — — — — —
# — # # # — — O        # — — — — — — —
— # O # O # O —        — — O — O — O —
— O — O — — # —        — — — — — — — —
```

Figure 2

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The right side of figure 2 identifies the individuals who are not content with their surrounding neighborhoods. Six #'s and three O's want to move; the rest are content as things stand. The pattern is still "integrated"; even the discontent are not without some neighbors like themselves, and few among the content are without neighbors of opposite color. The general pattern is not strongly segregated in appearance. One would be hard-put to block out #-neighborhoods or O-neighborhoods at this stage. (The upper left corner might be described as a #-neighborhood.) The problem is to satisfy a fraction (9 of 45) among the #'s and O's by letting them move somewhere among the 19 blank cells.

Anybody who moves leaves a blank cell that somebody can move into. Also, anybody who moves leaves behind a neighbor or two of his own color; and when he leaves a neighbor, his neighbor loses a neighbor and may become discontent. Anyone who moves gains neighbors like himself, adding a neighbor like them to their neighborhood but also adding one of opposite color to the unlike neighbors he acquires.

I cannot too strongly urge you to get the dimes and pennies and do it yourself. I can show you an outcome or two. A computer can do it for you a hundred times, testing variations in neighborhood demands, overall ratios, sizes of neighborhoods, and so forth. But there is nothing like tracing it through for yourself and seeing the thing work itself out. In an hour you can do it several times and experiment with different rules of behavior, sizes and shapes of boards, and (if you turn some of the coins heads and some tails) subgroups of dimes and pennies that make different demands on the color compositions of their neighborhoods.

Chain reaction

What is instructive is the "unraveling" process. Everybody who selects a new environment affects the environments of those he leaves and those he moves among. There is a chain reaction. It may be quickly damped, with little motion, or it may go on and on and on with striking results. (The results of course are only suggestive, because few of us live in square cells on a checkerboard.)

One outcome for the situation depicted in figure 2 is shown in figure 3. It is "one outcome" because I have not explained exactly the order in which individuals moved. If the reader reproduces the experiment himself, he will get a slightly different configuration, but the general pattern will not be much different. Figure 4 is a replay

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from figure 2, the only difference from figure 3 being in the order of moves. It takes a few minutes to do the experiment again, and one quickly gets an impression of the kind of outcome to expect. Changing the neighborhood demands, or using twice as many dimes as pennies, will drastically affect the results; but for any given set of numbers and demands, the results are fairly stable.

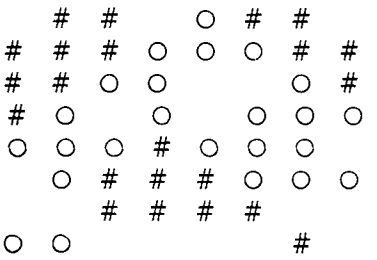

Figure 3

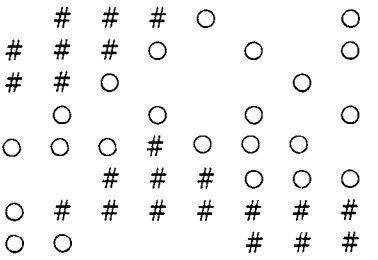

Figure 4

All the people are content in figures 3 and 4. And they are more segregated. This is more than just a visual impression; we can make a few comparisons. In figure 2 the O's altogether had as many O's for neighbors as they had #'s; some had more or less than the average, and 3 were discontent. For the #'s the ratio of #-neighbors to O-neighbors was 1.1, with a little colony of #'s in the upper left corner and 6 widely distributed discontents. After sorting themselves out in figure 3, the average ratio of like to unlike neighbors for #'s and O's together was 2.3, more than double their original ratio and about triple the ratio that any individual demanded. Figure 4 is even more extreme. The ratio of like to unlike neighbors is 2.8, nearly triple the starting ratio and four times the minimum demanded.

Another comparison is the number who had no opposite neighbors in figure 2. Three were in that condition before people started moving; in figure 3 there are 8 without neighbors of opposite color, and in figure 4 there are 14.

What can we conclude from an exercise like this? We may at least be able to disprove a few notions that are themselves based on reasoning no more complicated than the checkerboard. Propositions that begin, "It stands to reason that. . . ," can sometimes be discredited by exceedingly simple demonstrations that, though perhaps true, they do not exactly "stand to reason." We can at least persuade ourselves that certain mechanisms could work, and that observable aggregate phenomena could be compatible with types of "molecular movement" that do not closely resemble the aggregate outcomes that they determine.

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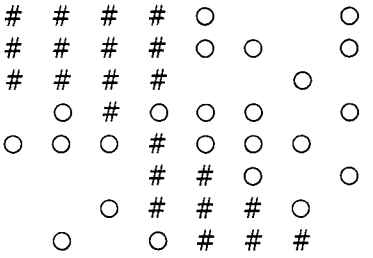

Figure 5

There may be a few surprises. What happens if we raise the demands of one color and lower the demands of the other? Figure 5 shows typical results. Here we increased by one the number of like neighbors that a # demanded and decreased by one the number that an O demanded, as compared with figures 3 and 4. By most measures, "segregation" is about the same as in figures 3 and 4. The difference is in population densities; the O's are spread out all over their territory, while the #'s are packed in tight. The reader will discover, if he actually gets those pennies and dimes and tries it for himself, that something similar would happen if the demands of the two colors were equal but one color outnumbered the other by two or three to one. The minority then tends to be noticeably more tightly packed. Perhaps from figure 5 we could conclude that if surfers mind the presence of swimmers less than swimmers mind the presence of surfers, they will become almost completely separated, but the surfers will enjoy a greater expanse of water.

Is it "segregated"?

The reader might try guessing what set of individual preferences led from figure 2 to the pattern in figure 6.

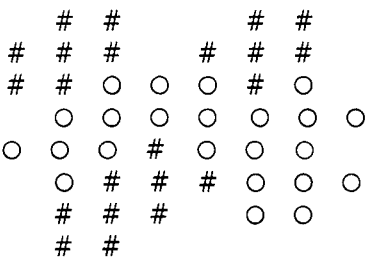

Figure 6

The ratio of like to unlike neighbors for all the #'s and O's together is slightly more than three to one; and there are 6 O's and 8 #'s that have no neighbors of opposite color. The result is evi-

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dently segregation; but following a suggestion of my dictionary, we might say that the process is one of *aggregation.* Because the rules of behavior ascribed both to #'s and to O's in figure 6 were simply that each would move to acquire three neighbors of like color *irrespective of the presence or absence of neighbors of opposite color.* And correspondingly for O's. As an individual motivation this is quite different from the one that formed the patterns in figures 3 and 4. But in the aggregate it may be hard to discern which motivation underlies the pattern and the process of segregated residence. And it may matter.

The first impact of a display like this on a reader may be—unless he finds it all "irrelevant"—discouragement. A moderate urge to avoid small-minority status may cause a nearly integrated pattern to unravel and highly segregated neighborhoods to form. Even a deliberately arranged viable pattern, as in figure 1, when buffeted by a little random motion, proves unstable and gives way to the separate neighborhoods of figures 3 through 6. These then prove to be fairly immune to continued random turnover.

Good news or bad?

For those who deplore segregation, however, and especially for those who deplore more segregation than people were seeking when they collectively segregated themselves, there may be a note of hope. The underlying motivation can be far less extreme than the observable patterns of separation. What it takes to keep things from unraveling is to be learned from figure 2; the later figures indicate only how hard it may be to restore such "integration" as would satisfy the individuals, once the process of separation has stabilized. In figure 2 only 9 of the 45 individuals are motivated to move, and if we could persuade them to stay everybody else would be all right. Indeed, the reader might exercise his own ingenuity to discover how few individuals would need to be invited into figure 2 from outside, or how few individuals would need to be relocated in figure 2, to keep anybody from wanting to move. If two lonely #'s join a third lonely #, none of them is lonely any more, but the first will not move to the second unless assured that the third will arrive, and without some concert or regulation, each will go join some larger cluster, perhaps abandoning some near lonely neighbor in the process and surely helping to outnumber the opposite color at their points of arrival.

Biology and ecology are instructive. Biological evolution involves

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the responses of billions of individuals, each going about his own business, most of them—from the amoeba to the giraffe—without the slightest idea that they are engaged together in selective adaptation, separation of species, survival and extinction. The results are statistical, collective and aggregate; the process is molecular and individual. Minute shadings of advantage in survival and reproduction are statistically transformed into biological trends, as minute differences between the domestic and foreign price ratios of gold and silver could cause one metal or the other to disappear from circulation under bimetallism.

Micromotives and macrophenomena

There is no specific alarmist point to all of this. The conclusion is not that cities will become ever more dense, races more separate, traffic more congested, food more contaminated, or whales extinct, or that typewriter keyboards will persist another century unchanged unless controls are ingeniously promulgated. The point is more general—that there is no universal teleology relating individual adaptations to collective results, neither a beneficent teleology nor a pernicious one.

Some adaptive processes work out fine and some do not. We expect competition in the prices of consumer goods to lead to some kind of market efficiency, but consumer competition in longer, heavier cars can be self-defeating. Non-market competition distributes young people not too badly among the different sports and their scarce playing fields, even among the positions on teams, but we do not expect the free exercise of individual decisions by swimmers and water-skiers to bring about an optimally balanced use of recreational facilities. Small children learn to trade stamps with an acumen that the real estate fraternity can only envy, but their parents can travel incommunicado behind a slow truck on a mountain grade without finding a way to make it worth the truck driver's while to pull off the road for fifteen seconds.

The fact that people voluntarily do something, or acquiesce in the consequences, does not mean that they like the results. Often the individual is not free to change the result; he can change only his own position within it, and that does him no good. We might all be better off speaking Latin or using a different calendar, but nobody can do much about it by learning Latin or hanging a thirteen-month calendar on his wall. Nations may arm themselves with nuclear weapons while wishing the things had never been invented, just as

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some day citizens may carry concealed weapons in the belief that others do, wishing they had never been devised. The fact that I do not send a week's pay to the Department of the Treasury, requesting that it be used to subsidize development of external-combustion engines, does not mean that I want my Congressman to vote against a program that, costing me a week's pay in taxes, may eventually make the sky bluer and the trees greener and my eyes stop tearing long enough to enjoy both of them.

This could mean that things are worse than we might think. Acquiescence is no sign that things are well. The man who hoses his new car in August is not one who has taken the calculated risk that the reservoir will run dry; all he calculated was that *his* car gets the water he uses, while the risk is infinitesimal until multiplied by all the other people who depend on that reservoir, many of whom are undoubtedly hurrying to get their own cars clean before the reservoir gives out.

We might also conclude that some severe problems result not from the evil of people but from their helplessness as individuals. This is not to say that there aren't callous, even malicious, noise and waste and vandalism, or that racial discrimination is not replete with behavior that is heartless, selfish and illegal. But some is unwitting; some offers little choice; and some results from the magnification of small incentives into massive results.

Even when "family planning" is safely and comfortably within everyone's reach and encouraged by church and law and the professions, people may go on collectively testing the capacity of the planet to hold all of us and our refuse, providing the lesser good for the greater number out of the most decently human motives that people can have, without our actually knowing whether people would subscribe to a social contract, if it were offered for their consent, universally discouraging family size in the ultimate interest of more earth per grandchild.

The roles of government

Many of these inadequacies of the social-decision process are expected to be remedied by government. The government is not only an ultimate authority, when compulsion or exclusiveness is required, it is also an instrument for initiative on a large or a monopolistic scale and it is the address to which people send their complaints when they do not like the way their environment is shaping up. Sometimes the problem is solved without government, either through the market or through some non-market behavior or institutions, or

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at least the problem often seems solved. Commercially-motivated contraceptives are helping to solve part of the population problem—the part over and above what remains when people individually have their way.

The range of techniques used by government is wide. It can simply signal, as with daylight saving or one-way street signs. It can regulate administratively, as with traffic police and safety inspectors. It can ration, as it does with fish and game, sometimes water and electricity or emergency rations. It can charge user fees, as with turnpikes and parking meters. It can facilitate legal arrangements, as with patents and copyrights and franchises for pay television. It can flatly prohibit, as with explosives in automobile tunnels, though sometimes the prohibition is enforced by a penalty that is more like a contingent fee on getting caught. A government can sometimes command, as with vaccination or, in some cities, the mandatory shoveling of sidewalks by the people who live along them. Sometimes governments are collective participants in contractual arrangements, as with nuclear nonproliferation, the establishment of port authorities, international copyrights and agreements not to counterfeit each other's currency and postage stamps.

Sometimes governments declare their own authority in order to keep people from competitively manipulating the weather or attempting to make personal property out of migratory game. And sometimes government provides a service that to many people is worth paying for but that cannot be successfully marketed, like street lights and weather information.

Sometimes a government may wisely abstain from acquiring a "useful" capability or from exercising it in the public interest. For some purposes, like weddings and vacations, society is fortunate if the weather can be predicted but perhaps not if the weather can be controlled.[4] If the government could control the weather, it might be

[4]People undoubtedly change the weather in many, many ways, but mostly imperceptibly and almost never decisively. Deliberate attempts could be challenged. Weather would be regulated by government—which government?—or left in the status of a lottery on which we all take our chances. There is a more dramatic lottery, the one that puts the sex of children beyond the player's control and that restricts normal families to a chance mixture of the parents' genes. This one is much more immediately private than the weather; collectively, though, we will change each other's environments far more dramatically by reducing uncertainty at birth than by fighting over the weather. In the end, maybe, if there ever is an end, if the cycles are damped and the expectations stabilized, women may be "liberated" by scarcity value as the sex ratio moves in favor of male births. What else would parents do if each could make his minute contribution to the statistics of birth by exercising some genetic choice? Cycles in Christian names and the breeding of dogs suggest the amplitude of variation that these minute and private decisions could overwhelm us with.

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obliged to control it, and it is a blessing to be spared that responsibility. A rainy Saturday would discriminate against Jews and a rainy Sunday against Christians, a rainy workday against construction workers and a rainy holiday against people who want to play. Like the traffic light, the weather dispenses arbitrary justice, and we may be wise to confine our enthusiasm to predicting rather than manipulating it.

Prescription, proscription, or prices

One of the main divisions among governmental techniques—and one of the main controversies about government controls—is between making people pay for the things that they do that affect others, allowing them to go ahead and do it if the price is right, and simply stipulating what they should do and not do, with appropriate inspections and penalties for violations. We let people pay to use the scarce turnpike capacity; should we make them pay for the smoke they then emit? Should people be rewarded for recycling their refuse into harmless uses, or penalized for refusing to do so? Should concert tickets be free, first-come first-served, or sold in advance at a price estimated to be attractive to only as many as will fill the seats? A harder one: Should state universities be indefinitely enlarged to take all applicants with minimal qualifications, should they ration entry by some pertinent criterion, or should they charge tuition fees and let people sort themselves by paying the price or going elsewhere?

And eventually, to take just about the hardest of all, if it should be decided to do what can decently be done to keep the population of this country from getting larger, or from getting larger too fast, does the government ration, regulate, reward or penalize, and on what criteria? (Choosing whether to rain out the World Series or a White House reception looks easy by comparison.)

The differences in principle arise when someone is actually expected to pay the price and go ahead and do the thing. Evidently we do not set turnpike tolls so high as to preserve the road surface as good as new forever; the whole idea is that someone should use it. The question is, who uses it and how much? If it would draw excessive traffic with unrestricted access, the answer cannot be everybody, as much as he pleases. The several possibilities are to give everyone a ration, perhaps in the form of coupons, to give rations to some selected group, to give unlimited access to some selected group, to sell licenses for unrestricted use, to sell tickets for each

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use, to give tickets away in a lottery, and simply to shut the access gates when traffic density exceeds a specified limit and not open the gates until the density has fallen back within the allowed range. Two further questions: If people get free coupons, may they sell them? If licenses or tickets are sold, where do the proceeds go? And some further complications: Is it enough to treat the highway as a unit and all uses as equivalent, or must the tickets bear the date and the hour and even the particular stretch of highway to be used?

Setting a price of admission, by selling licenses or tickets, is usually appealing when potential users have different urgencies of use or intensities of demand for the service, and when it is preferred to let those with the more urgent need use the facility. Only those to whom it is worth the price will use it. No one has to prove urgency, or to submit his case for examination; if he considers his trip urgent, he pays the price and nothing more is asked. Whether this system discriminates in favor of the well-to-do, by measuring "urgency" as the price the user is willing to pay, will depend very much on who paid for the road in the first place or what is done with the proceeds.

Selling tickets will also be appealing when the alternative is to distribute coupons or licenses whose non-transferability could not be enforced. If every non-user will sell his unused tickets, the total of tickets issued will have to be about the same as the total that would otherwise be sold by the authorities, and if market information is good the price may not be much different. The system will then not be much different from selling tickets to the users and distributing the proceeds to all the citizens, or to all the automobile owners, or to all those who can plausibly show that they might want to use the road, or to whatever the group is that was eligible for funds in the first place.

Selling tickets will also appeal when the urgency of need is visible and higher prices can be charged to those who have the greater need. And of course various combinations are possible; free tickets for off-peak travel can be distributed to some group in the population, who can use them or sell them but not for peak-load use and not at the peak-load price. Whether or not this is administratively feasible depends of course on the particular road and the way it is managed.

These are not really fighting issues, although construction of the highway in the first place may have been. Distributing scarce goods that have been constructed at public expense is commonly done by letting people pay for their use, if use can indeed be "sold" (as it usually cannot be with ordinary city streets). When we turn to the disposal of bads, rather than the consumption of goods, it often

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seems a little anomalous to introduce the price system and to let people pay for the privilege of doing us harm. Especially if everyone prefers an absolute ban on the burning of trash to unrestricted burning, and we can get unanimous agreement on an ordinance, why backslide into "just a little burning" by those who can pay for it? And even if a few people would prefer unrestricted burning to an absolute prohibition, must a large majority of the rest of us defer to them and let them throw smoke into our atmosphere, legitimizing the whole arrangement by selling them permission?

The turnpike example can help a little in sorting out some of the issues. First, if the wind and the air have a certain capacity to dissipate smoke, or a river can digest a certain amount of sewage, up to some point at which further smoke or further sewage sharply worsens things, it may not make sense to let that capacity go unused. Letting those who have the most urgent needs sort themselves out by paying the price may not be a bad way of rationing this scarce capacity.

Second, if everybody has some urgent need but people have different urgencies, and if the object is to let everyone take care of his urgent needs but stop when the degree of urgency reaches some point, a price on the activity may not be a bad way of letting everybody decide for himself how urgent his need is. (Again, the system discriminates in favor of the rich only if it turns out that it's the rich who pay the price and if the proceeds are not used in an equitable way.)

Putting a price on pollution

In general, a price system is attractive if some of the activity is intended to continue but the intended amount of it is not expected to be uniform among the population or a uniform ration cannot be enforced. If the population has to be sorted into those who do and those who don't, or if the amounts of activity should properly vary from person to person but not in a way that is easily determined administratively, one of the ways of getting the decisions made as to who does it and how much he does it is to let everybody decide how much to do at the price he has to pay.

Prices convey *information* as well as *incentive*. Even the virtuous who want to do their part or to take only their rightful share need some signal, some measure, some way to gauge the seriousness of what they are doing to "them" out "there" when the problem is not just distinguishing right from wrong but knowing whose turn

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it is, or how much is one's share, or at what point the inconvenience of others outweighs one's own needs. Because the road to hell is alleged to be paved with good intentions—and this essay tries to give added reasons for believing that is so—road signs are critical.

There is the special case in which the adverse effects of the activity can be cleaned up or remedied to everybody's satisfaction if enough money is spent. In that case if the people who do it will pay enough for the privilege to cover the costs of cleaning up afterwards, it is usually harder to make a case against letting them go ahead and do it. We do not like a system in which everybody piles his trash at the end of his driveway or along his curb, but we excuse it if he does it for purposes of trash collection. It may be immaterial whether he pays for trash collection, or merely pays for the privilege of leaving his trash beside the road and we use the proceeds to carry away the trash that we do not like along the side of the road.

Allowing people to pay for the nuisances they create means compromise, of course. Compromise means abandoning the goal of total victory in the war against poison, dirt, noise and unsightliness. In the last couple of decades most of us have gotten used to the notion that in most wars there has to be a substitute for victory. Especially when the enemy is mercury, DDT, radioactivity, sulphuric acid or no-return bottles, the idea of "surrender" is irrelevant. The enemy cannot be taught a lesson. We cannot earn his respect. And he will not be cowed by our determination.

We have to pay a price for victory, and we usually have to pay it in the same currency in which we enjoy it. A good many bads are merely the reverse side of some goods; and the ratio of bad to good depends on the particular uses and beneficiaries and victims. DDT kills bedbugs and malarial mosquitoes and makes food cheaper, besides doing all those things that have recently been publicized; the most offending exhaust pipes are usually on the older cars and are owned by the poor; no-return bottles litter the countryside and fill the trash heaps, but returnable bottles contain remnants of stale beer and cola and draw flies while concentrating a lesser amount of "trash" where it matters more, in the store fronts and on longer-distance truck routes.

Under this no-win philosophy the object is to discriminate against the goods that entail a disproportionate volume of bads, and to provide powerful incentives for shifting to technologies that are more costly but when viewed collectively are worth the cost.

Putting a price on pollution may be merely a complicated way of prohibiting it, or may be a way of legitimizing it. But it may

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also be a way of screening out the less essential or less worthwhile activities that harm the rest of us while permitting continuation of those that are comparatively beneficial. It may also be a way of collecting a kitty that, properly used, may be worth more to a good many among us than blue skies and water sports.

Prices, though, or fees or charges or property rights, are pertinent to only some of these problems, not nearly to all of them. We usually do not want to legitimize criminal activity by charging a "fee" rather than imposing a "fine." And some things—staying off the streets in the evening—are anybody's privilege but cause trouble when everybody takes the same privilege, abandoned streets being a common danger. We can turn around then and offer rewards—pay a price to get people to do what most of them would like to do anyhow so long as all the others did it, the price depending on the marginal worth of a few more strollers on a summer evening. But it would get expensive and tiresome to make every after-dinner walk a parimutuel activity. And if we pay small boys high prices to clean up litter, they develop a proprietary interest in the production of litter. One great thing about a price system is how simple it is; when it stops being simple, it often stops being a great thing.

And some things are hard to price. Noise is one. Some day they may charge us for the liquids that leave our houses in pipes as well as the liquids that arrive in pipes. They may charge us for the special privilege of burning more gas than it takes to move our comparatively light bodies to and from work. We can quiet the factory whistles and prohibit billboards. But as people we can go on being as offensive as we please, forgetting to turn down our radios, being unsightly, spreading our germs and throwing lighted cigarettes out car windows during a drought. Ships at sea may go on flushing their bowels in the ocean at night like undisciplined children at a municipal pond. And public unfriendliness may feed on itself in spite of ordinances against our expressions and gestures.

Morality and the collective good

In the end, personal morality is a public asset; there is not much else to keep us from throwing bottles out our car windows, but we can wish that our nervous systems had been programmed through biological evolution to inhibit those actions that bring us mild individual gains at each other's expense. Virtue may be its own reward, but the reward is too often a collective good, shared only minutely by the virtuous individual.

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Some animals have it, according to Konrad Lorenz.[5] As animal life becomes complex, the young need to grow and are vulnerable. An incipient maternal instinct, however acquired, promotes the species in which it occurs. Something in a wolf cub causes him to roll onto his back when a hostile adult comes near, and something in the adult makes him incapable—his nervous system is just not programmed for it—of attacking the helpless cub that waves its feet in the air. The adult wolf is lucky to be so inhibited; he would never himself have survived as a cub were the inhibition not universal, or worse, his species would have been extinct long before it was his turn to be repelled by the sight and smell of a grovelling cub.

But in many ways we poor humans have outgrown our biological heritage. Long before technology afforded us wealth, before refrigeration kept our food from spoiling, before we learned to protect herds of animals and to cultivate a year's supply of grain in a single season, there was no way to save but by putting fat under our skin. Along with others in the animal kingdom we developed that marvelous capacity to store surplus food in our very bodies, lugging it around wherever we went but keeping it fresh and alive in the process. And appetites evolved that were superfluous to the day's needs, so that without knowing it we added to our own bodies the flesh of fruits and animals. Those appetites can still give us pleasure, but that marvelous fatty stuff is about as useful as two tons of coal in the basement left over from the wartime shortages, and twice as disagreeable.

And so it is with our appetite for reproduction, not just the enjoyment of a partner but the delight in small children and even an inherited culture that values the immortality and the pride of creation that only children can give us.

God made the earth too small, it seems today. But in the blink of a cosmic eye an earth a hundred times as big would be too small too soon. The arithmetic is staggering. We can double more than twice every century, and in fewer years than have elapsed since Magna Charta we should all be able to inhabit dry land only on condition that no one try to sit down. Sooner or later it will be too much.

But when it becomes too much for us as individuals, we shall have gone too far. When sheer numbers make it no longer a joy to bring children into the world, our earth will have become that

[5]Konrad Lorenz, *On Aggression* (N. Y.: Harcourt, Brace and World, 1966), especially chapter 7, "Behavioral Analogies to Morality," pp. 109-38.

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congested road through the wilderness that is just as attractive as no road at all. Up until that point it is always worth my while to add my car to the traffic.

The population problem is not unique. In the relation of molecular incentives to molar results, it is like dozens of familiar and tantalizing problems, of which this essay has been full of examples. It is uniquely important. And it may be uniquely difficult. As in the cars that passed that mattress on a holiday weekend, it is hard to reach a bargain with the generations that follow.

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College generations —from the 1930's to the 1960's

SEYMOUR MARTIN LIPSET & EVERETT CARLL LADD, Jr.

THE upsurge of student activism and the radicalization of large segments of the undergraduate population since 1964 lead one to speculate about the future politics of today's students. It is clear from opinion surveys that the most recent students and graduates are more liberal and radical than those of the 1950's: The large majority identify themselves as Kennedy-McCarthy liberals, oppose the Vietnam War, favor egalitarianism and special help for black and other underprivileged minorities, etc., etc.[1] The proportion describing themselves as "radicals" rose from 1965 on to the high point of 11 per cent in a Harris Poll in May 1970; it declined to between 4 and 7 per cent in Gallup and Harris surveys during the "ebbing wave" of 1970-71. Yet in response to a Gallup Poll in late 1970, 44 per cent of college students replied that violence is justified to bring about social change in the United States (compared to 14 per cent of the public at large), 49 per cent maintained that personal freedom and the right of dissent are being curbed in this country, and 37 per cent described themselves as "far left" or "left"

[1]For a detailed summary of the opinion polls of college students gathered from 1965 to 1971, see S. M. Lipset, "Polls and Protests," in S. M. Lipset and Gerald Schaflander, *Passion and Politics: Student Activism in America* (Boston: Little, Brown, 1971), pp. 38-79.

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politically as against 17 per cent who called themselves "right" and "far right."[2]

As the students of this college "generation" have graduated and entered the junior ranks of the professions, the media, business, government, of academe itself, it would appear that they have brought to these occupational environments a deep concern for egalitarian, populist, and often strongly radical principles. Young journalists press for advocacy rather than "objective" reporting; new physicians support socialized medicine; architects demand plans which "serve the people;" young academics want "relevance," i.e., radical social positions, in their teaching and research.

What does the emergence of a liberalized, partially radicalized college stratum portend for the future? Will they remain a force for major social change as they climb the occupational hierarchies? Will they become much more conservative and "socially responsible" as they marry, have children, and gain status, power and personal responsibilities? Does the old saw "radical at twenty, conservative at forty," prove valid, or will *this* generation retain its beliefs?

Political generations and aging

These questions are not new, but unfortunately the existing social science literature does not provide an unambiguous guide. The basic confusion, as John Crittenden has pointed out, lies in the contrasting emphases upon the experiences of political generations on the one hand, and upon the effects of aging on the other.[3]

Analysis in terms of political generations came to the fore in the 1930's in the work of such scholars as Karl Mannheim, Sigmund Neumann, and Rudolf Heberle. They contended that individuals gain a frame of reference from the decisive events of the period when they first come to political consciousness—usually in their late teens or early twenties—which then shape their subsequent values and actions. Thus the prevailing climate in which a cohort "comes of age politically" tends to frame its later political orientation.

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[2] The students overwhelmingly favor liberal candidates for the presidency. Their non-college age mates, however, differ sharply in political orientation. Over 25 per cent of the newly enfranchised 18-21 age group not attending college preferred George Wallace to Muskie or Nixon, or twice the proportion of older voters, according to an April 1971 Gallup Poll. Non-college young people have consistently shown greater support for the Vietnam War than those in any other age stratum, college or non-college, while the college-educated young have become the most opposed to the war.

[3] John Crittenden, "Aging and Party Affiliation," *Public Opinion Quarterly*, 26 (Winter 1962), p. 648.

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The idea of the political generation has been frequently used in analyses of Weimar Germany. The weakness of the Weimar Republic was interpreted, in part, as stemming from the fact that the dominant generation of the years 1929-33 was formed politically during the period of war, defeat, revolution, and inflation, i.e., 1914-24. More recently, political analysts have stressed the impact of the Great Depression in creating an American generation disposed to fear economic insecurity and to favor welfare state measures, while those who came of age in the prosperous 1940's and 1950's have been said to be more cautious in their acceptance of the welfare state and less committed to New Deal liberalism. Similarly, the support for an activist-interventionist foreign policy in the early 1960's has been credited, in part, to the reactions of a generation which had learned the "lessons of Munich" and of World War II, that democratic powers must support small, weak states against totalitarian aggression.

Of course, those who speak of generations do not suggest that all or most people in the same age category react identically to key political events. Mannheim wrote of "generation-units," different groups within the same age stratum who adhere to alternative, often conflicting values. And more recently Bennett Berger noted that "it is essential, when using the concept of the generation in a cultural sense, to specify generations of what, because it is only in a demographic sense that people in the same age-group constitute a homogeneous unit. . . ." Obviously, the rich and the poor youth, factory workers and college students, blacks and whites do not experience events in the same way. But the general point holds that, whatever the specific generational unit, the early political values presumably persist through the years.

The argument about the effects of aging has led to quite different conclusions. For both social and psychological reasons, it has been claimed, individuals, as they grow older, tend to move from the political extremes to a more "moderate" or centrist position. Those actions defined by society as "deviant"—e.g., delinquent, bohemian, and radical—are largely youth phenomena. Parties of the extreme left and right almost invariably draw disproportionate support from young voters. As they advance in age, the overwhelming majority of "deviants" will "settle down." This has meant that young people, as they grow older, tend to move toward the political center, as it is defined at the time of their mature years.

The moderating influence of aging has been stressed in a number of studies but no one, perhaps, has made the argument as cogently as Aristotle in his *Rhetoric*:

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> Young men have strong passions, and tend to gratify them indiscriminately. . . . They are hot tempered and quick tempered . . . owing to their love of honor they cannot bear being slighted, and are indignant if they imagine themselves unfairly treated. . . . They love . . . money . . . very little, not having yet learnt what it means to be without it. . . . They have exalted notions, because they have not yet been humbled by life or learnt its necessary limitations. . . . They would rather do noble deeds than useful ones: their lives are regulated more by moral feeling than by reasoning. . . . They think they know everything and are always quite sure about it; this, in fact, is why they overdo everything.

The elderly, however, are characterized by quite opposite qualities:

> They have lived many years; they have often been taken in, and often made mistakes; and life on the whole is a bad business. The result is that they are sure about nothing and *under-do* everything. They "think" but they never "know;" and perhaps because of their hesitation they always add a "possibly" or a "perhaps. . . ." Further, their experience makes them distrustful and therefore suspicious of evil. . . . They guide their lives too much by considerations of what is useful and too little by what is noble—for the useful is what is good for oneself and the noble what is good absolutely. . . . They lack confidence in the future; partly through experience—for most things go wrong, or anyway worse than one expects. . . .

As a middle-aged man, Aristotle saw virtue resting in the middle, "between that of the young and that of the old, free from the extremes of either." And these moderate views are held by "men in their prime," a period which occurs intellectually at age 49.

Max Weber reiterated an aspect of Aristotle's analysis when he suggested that the young are more disposed to adhere to the "ethic of ultimate ends," the older to the "ethic of responsibility." That is, the latter seek to accomplish what limited good is practically possible, even though to do so may mean to compromise with evil, while youth seeks to protect its sense of virtue by refusing to compromise.

In regard to our immediate question—the likely future politics of the students who experienced the radicalized political climate of academe in the late 1960's—we would not expect either the "generations" or the "aging" theses to provide a complete or fully satisfactory guide. The two are not mutually exclusive: There could be both persistence of a distinctive generational orientation and a moderation of views with aging, for one has to take into account the general historical shift of political climate in a society. The question remains of how relatively important the distinctive experiences of the college cohort of the late 1960's are for its future political commitments and behavior.

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The college "generation" of the 1930's

It is possible to shed some light on this question by examining what happened to the political views of an earlier generation of radicalized college students, the students of the 1930's. It is overwhelmingly clear that the college generation of the 1930's moved far to the left of students of the prosperous 1920's. "Straw polls" on college campuses show that the GOP had a substantial majority among students in the 1920's, but lost this decisively in 1932 and 1936. These "polls" were quite loose by academic standards. But the first significant systematic sample of a national population of students, taken by Elmo Roper for *Fortune* in the spring of 1936, furnished impressive evidence that the scattered local campus surveys accurately described the direction, if not the precise magnitude, of student attitudes in the 1930's. *Fortune* pointed out that "liberals and Democrats form the thick equatorial bulge of the [campus political] turnip. . . ." The quantitative unpublished report—which Burns Roper has kindly made available to us—supplied detailed documentation of the predominant liberal to left sentiments of the students. Close to one quarter (24 per cent) of those interviewed were sympathetic to "socialism," 6 per cent identified with "communism," 45 per cent were for "liberalism," as contrasted to only 15 per cent for "conservatism" and 2 per cent for "fascism."[5]

Although the radicals of the 1930's were far less disruptive in their tactics and culturally less alienated than those of the 1960's, they were not less numerous proportionately. There were various organized left-wing groups on campus during the 1930's—Socialists, Trotskyists, and Communists. The Socialist-dominated Student League for Industrial Democracy and the Communist-controlled National Student League united in 1935 to form the American Student Union (ASU), which is reputed to have had 20,000 dues-paying members by 1937-1938. To put this figure in historical perspective, the Students for a Democratic Society (SDS) at the height of its strength in 1969 never claimed more than 7,000 national dues-paying members, with another 30,000 to 35,000 active participants in local chapters, out of a student population seven times that of the 1930's. A further indication of the radicalization of the campus in the "Red Decade" was the commitment of many national Protestant and Jewish campus groups to socialism,

[5] For a more detailed documentation of the campus politics of the 1930's, see Philip Altbach and Patti Peterson, "Before Berkeley: Historical Perspectives on American Student Activism," *Annals of the American Academy of Political and Social Science*, 395 (May 1971), pp. 1-14, and S. M. Lipset, "From the Twenties to the Fifties," in Lipset and Schaflander, pp. 159-196.

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and their direct affiliation to the Communist-controlled American Youth Congress. The latter claimed an affiliated membership of over five million at its height, a figure secured by totalling the membership of the various trade unions, church groups, and the like which formally adhered to it.

As in the 1960's, the principal issue around which the radicals conducted demonstrations was peace. In the early 1930's, when Communists and Socialists were united in opposition to United States involvement in any foreign war, they pressed students to support the Oxford Pledge, in which students said they would never fight in a foreign war. The demonstrations and strikes held on Peace Day in April 1935 are reported to have included 185,000 students out of a total population of a million. (Subsequently, the Communists dropped this policy to favor collective security between the Soviet Union and the Western democratic states against the Nazis and Fascists.) But the Communists and the organizations they controlled lost heavily in the fall of 1939 when Hitler and Stalin joined in a "non-aggression" pact that was followed by the partition of Poland and the German war against France and Britain. The ASU was dissolved and campus radicalism lost its impetus.

The politicized generation of American students of the 1930's may be presumed to have played an important role through succeeding decades when the college radicals went into the professions, government, and trade-union bodies. It is possible to point to visible, often spectacular examples of student activists of the 1930's who achieved prominence: the Reuther brothers in the labor movement; Robert Lane, national president of the American Student Union in 1940 and of the American Political Science Association in 1970; Adam Yarmolinsky, active in the ASU in the late 1930's and in the Defense Department in the 1960's; Theodore Draper, editor of the National Student League's magazine in the early 1930's and anti-Communist chronicler of the Communist party and of Castroism in recent years; Joseph Lash and James Wechsler, the most durable staff executives of the ASU for some years as national secretary and editor of the organization's paper, who became major editorial figures on the *New York Post* during the 1950's and 1960's; George Edwards, first national chairman of the ASU, subsequently a police commissioner and a judge in Detroit; Pete Seeger, once involved in the ASU at Harvard, now a leading folk singer, and Sherman Maisel, also active in the Harvard ASU, later professor of business at Berkeley, and currently a governor of the Federal Reserve Bank; Alvin Gouldner, student activist in the late 1930's and radical critic of dominant trends

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in sociology in 1970 as the Max Weber Professor of Sociology at Washington University; Irving Howe, Trotskyist leader at City College of New York in the same period, major literary figure, professor at various schools, and editor of the democratic socialist journal *Dissent* from the early 1950's to the present.

These notables, are, of course, but a tiny fraction of the total who passed through various radical movements. It is estimated that at one time or another about 750,000 persons belonged to the Communist Party during the late 1930's and early 1940's. But the turnover was extraordinary—sometimes as high as 90 per cent a year. What makes the turnover figures particularly relevant for an analysis of student politics is that the overwhelming majority of those who joined were of college age. As two observers reported: ". . . a majority of the rank and file have not only joined but have left the party by the time they are 23 . . . the proportion of party members who have been to college is very high."[6] In addition, there were those who passed through the Socialist movement and the various "splinter groups," as well as the more numerous sympathizers and fellow-travelers.

What was the enduring impact of the radical experience of the 1930's on that student cohort? There is clearly no comprehensive conclusion, but a variety of opinion data gathered for other purposes does permit some specifications of the ways in which the attitudes and political behavior of the graduates of the 1930's have differed from those of preceding and succeeding generations. By reanalyzing a 1947 *Time* study of college graduates,[7] and by combining many Gallup surveys and separating out those who went to college, it is possible to examine the adult opinions of large samples of former students in relation to their dates of college attendance. In addition, two surveys of faculty opinions, one of nearly 2,500 social scientists in 1955, the other of 60,000 academics in all disciplines in 1969, permit an examination of the way in which college students who have gone on to an academic career have reacted politically.[8] Because college professors are among the most liberal professional

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[6] Morris C. Ernst and David Loth, *Report on the American Communist* (New York: Henry Holt, 1952), pp. 2-4. See, too, Irving Howe and Lewis Coser, *The American Communist Party* (Boston: Beacon Press, 1957), p. 529.

[7] Ernest Havemann and Patricia Salter West report on this survey in *They Went to College* (New York: Harcourt, Brace, 1952).

[8] The 1955 survey is reported in Paul F. Lazarsfeld and Wagner Thielens, Jr., *The Academic Mind* (Glencoe, Illinois: The Free Press, 1958). The 1969 study was conducted under the sponsorship of the Carnegie Commission on Higher Education, with the financial support of the United States Office of Education, Department of Health, Education and Welfare. We are presently engaged in

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groups in the nation, an analysis of the way in which they vary by college generation seems particularly appropriate.

The Time and Gallup surveys

The most striking feature of the *Time* survey data (Table 1) on the political orientations of graduating classes is the steady increase

Table 1. *Political Positions of the College-Educated,* Time *College Graduate Survey*[1]

Year Span College Graduation	Party		1944 Preference	Expect to Vote Rep. in	Preference		
	Rep.	Dem.	F.D.R.	1948	Wallace	Taft	Byrd
1944-1948 (n=1062)	27	31	61	27	25	26	26
1939-1943 (n=2074)	31	31	55	31	17	30	29
1934-1938 (n=1583)	37	28	47	37	15	32	37
1929-1933 (n=1257)	40	26	44	41	16	37	43
1919-1928 (n=1588)	43	23	40	48	15	42	54
1918 and earlier (n=1156)	55	17	32	60	12	51	63
All (n=8720)	38	26	47	40	16	36	41

[1]Percentage of *n*.

in conservatism with movement from the youngest to the oldest age cohort. Democrats outnumbered Republicans (in terms of party identification) only among the 1944-1948 college graduates. Going back in time, the parties drew even in the 1939-43 group, and the Republican margin over the Democrats increased with each preceding generation. Conservative Senators Harry Byrd of Virginia and Robert Taft of Ohio received favorable ratings from only one quarter of the 1944-48 graduates, but the proportion favorable climbed steadily with each earlier academic class, to a figure roughly twice as great among those who graduated before the 1920's. As might be expected, the opposite pattern occurred with respect to opinions on

the analysis of the Carnegie data, and wish to acknowledge our debt to Clark Kerr, Chairman of the Carnegie Commission, Martin Trow of the University of California, Berkeley, who directed the administration of the survey, and to their colleagues. For a complete description of the sampling and weighting procedures followed in this survey, and for a copy of the questionnaire with marginals, see Alan E. Bayer, *College and University Faculty: A Statistical Description* (Washington, D. C.: American Council on Education, 1970), 48 pp.

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men with "left" images such as Henry Wallace, the Progressive Party candidate for president in 1948.

The *Time* study data show, then, that those students graduating between 1934 and 1938 were, in 1947, considerably more conservative than the succeeding post-war graduates, but were distinctly more liberal than those who came before them.[9]

The Gallup data (Table 2) are based upon smaller samples of the college-educated and fewer questions, but they enable us to follow a college cohort over two decades. These data on the presidential choices of the college-educated—divided by the years in which they were undergraduates—support the picture developed from the *Time* study. *There is a persistent age association in the voting preferences of the college "generations."*

To make a basic generalization, the younger the voter, the greater the preference for the more liberal nominee. Thus, those who were students in the 1920's and before were in all of the elections the most Republican, and those who went to college in the 1930's were generally more Republican than those who attended in the conservative 1950's, or later. Voting for Progressive Party candidate Henry Wallace in 1948 was also related to age, the younger graduates showing the greatest support.

The one seemingly important exception to the overall pattern of an association between younger age and liberal candidate support involves those who were in college immediately after the Great Collapse, during Herbert Hoover's term in office. In 1956, 1964, and 1968, those who were undergraduates between 1929 and 1933 show up as markedly less Republican than the immediately preceding and the immediately following (i.e., younger) college cohorts. In other words, those in school in the darkest hours of the Depression—not the undergraduates of the latter half of the 1930's when organized campus radicalism was at its height—stand out as the one aberrant college group. Seemingly, it was not exposure to the more conspic-

[9] It is important to keep in mind that the *Time* data do not show that aging is necessarily associated with an increasing conservatism in a fixed ideological sense. For example, between 1927 and 1947 there was a pronounced "liberalizing" of American politics, in that large numbers of people of all ages came to accept the need for far more extensive governmental intervention in the interest of managing and "humanizing" advanced industrialism. So while older college graduates in 1947 were relatively much more conservative and change-resisting than younger graduates, they were still by some absolute measure more liberal than they had been 20 years earlier. An indication of this is the finding of the *Time* survey that 47 per cent of those who had been in college in the 1920's considered their current (1947) politics to be "more liberal" than that of their undergraduate days, and only 21 per cent as "more conservative." Their perceptions were probably right.

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Table 2. *Presidential Choices of the College-Educated (Gallup)*

Years of College Attendance	1948 Dewey	Truman	Wallace*	Thurmond*
1946-1948 (n=115)	47	41	9	2
1944-1948 (n=247)	53	37	8	1
1939-1943 (n=302)	57	34	5	3
1934-1938 (n=491)	56	34	7	1
1929-1933 (n=518)	64	29	3	3
1919-1928 (n=752)	70	25	2	3
1918 and earlier (n=574)	69	27	1	2
All college-age cohorts (n=2999)	62	30	4	3
Actual Presidential vote, total population (48,790,414)	45.1	49.6	2.4	2.4

Years of College Attendance	1956 Eisenhower	Stevenson
1954-1956 (n=40)***	70	30
1949-1953 (n=164)	55	44
1944-1948 (n=215)	59	41
1939-1943 (n=292)	66	34
1934-1938 (n=272)	64	35
1929-1933 (n=175)	55	45
1919-1928 (n=274)	75	25
1918 and earlier (n=241)	75	24
All college-age cohorts (n=1673)	62	38
Actual Presidential vote, total population (61,825,206)	57.4	42.1

Years of College Attendance	1964 Goldwater	Johnson
1962-1964 (n=159)	27	73
1956-1961 (n=310)	30	70
1950-1955 (n=330)	35	65
1944-1949 (n=321)	42	58
1939-1943 (n=367)	34	66
1934-1938 (n=307)	42	57
1929-1933 (n=191)	30	70
1919-1928 (n=271)	46	53
1918 and earlier (n=109)	57	43
All college-age cohorts (n=2365)	37	62
Actual Presidential vote, total population (70,420,910)	38.5	61.1

Years of College Attendance	1968 Nixon	Humphrey	Wallace**
1966-1968 (n=59)	41	48	12
1962-1965 (n=221)	45	42	12
1956-1961 (n=289)	51	36	13
1950-1955 (n=115)	57	31	11
1944-1949 (n=111)	60	32	8
1939-1943 (n=184)	56	30	13
1934-1938 (n=134)	56	35	9
1929-1933 (n=109)	47	44	8
1928 and earlier (n=235)	67	22	11
All college-age cohorts (n=1457)	54	33	12
Actual Presidential vote, total population (73,188,253)	43.4	42.7	13.5

* Henry A. Wallace (Progressive); J. Strom Thurmond (States Rights)
** George C. Wallace (American Independent)
*** n is too small for reliability.

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uous and self-conscious radicalism of the later 1930's that left a mark in terms of a continuing propensity to support the more liberal candidates; rather, the experience of the directionless gloom of the Hoover years may have bequeathed to the college population of that time a disproportionate antipathy toward the Republican party.

The professors

College professors are among the most liberal professional groups and are well to the left politically of the general body of college graduates. One can check whether the "slope of moderation" by age cohorts, which we have noted for the whole college population, persists in this special substratum.

The evidence makes it clear that it does. Our reanalysis of the data gathered for the 1955 Lazarsfeld-Thielens study, *The Academic Mind,* indicates a strongly age-related progression. Thus, the percentage of social scientists voting for Henry Wallace or one of the other left-wing candidates in 1948 (mainly Norman Thomas) was considerably higher among those who were in college between 1944 and 1948 than among the "generation of the 1930's," and there is a steady decline as one moves back through earlier college generations. The same pattern holds with respect to support for Stevenson against Eisenhower in the 1950's. Similarly, support for the rights of Communists in the university during the (Joe) McCarthy era was greatest among the youngest, the post-war cohort who went to college in a supposedly apolitical period. Such support grew progressively weaker among each preceding cohort. This general relationship holds true even though those who were undergraduates in the 1930's reported having belonged to a greater number of "controversial political groups" while in college than those educated in subsequent decades.

In 1970, the Carnegie survey of the entire present-day professoriate reveals the same age progression for the faculty as a whole (and especially for the social scientists within it). Those who were in college in the Depression and immediate post-Depression years report having been somewhat more "left" in their student days than any other college-age cohort, earlier or later. But the proportion of those who attended college in the "conservative" atmosphere of the "silent" 1950's and who describe their *current* political orientation as "left," is roughly three times (7-9 per cent) that among those who had completed their undergraduate studies in the "radical" climate of the 1930's (2-3 per cent.) Similarly the college "generation" of the 1930's

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is much less supportive of recent campus political activism than the generation of the 1950's, and showed a markedly greater preference for Hubert Humphrey over Eugene McCarthy in their contest for the 1969 Democratic Presidential nomination.[10]

Table 3. *Carnegie Survey: Political Commitments of American College Professors (1969).*

Survey Questions and Responses:

I. How would you characterize yourself politically at this time?
Characterize Self as Left

II. Which position on Vietnam is closest to your own?
For Immediate Withdrawal from Vietnam

III. A four-item scale to measure faculty support for campus activism.
Very Supportive of Campus Political Activism

IV. Whom would you have favored at the Democratic Convention?
Favor Humphrey over McCarthy

Years of College Attendance	I	II	III	IV
During early 1920's (n=1351)	1*	9	16	64
1920-26 (n=2932)	1	14	21	57
1927-31 (n=3839)	2	15	25	57
1932-36 (n=5431)	2	17	30	55
1937-41 (n=7492)	3	17	34	53
1942-48 (n=8503)	4	18	39	50
1947-51 (n=10,019)	5	18	43	47
1952-56 (n=10,503)	7	19	48	39
1957-63 (n=8590)	9	24	51	32
Total (n=58,660)	5	18	39	47

* percentages of *n*

Conclusions: the graduates of the 1960's

By all the measures we have been able to locate, then, the variations in political orientation among college generations over the last half century *follow an essentially linear and age-related progression.* Except for some of the Gallup data bearing on the subsequent voting choices of the graduates of the early 1930's, they do not reveal irregularly dispersed peaks and valleys associated with the campus political climate prevailing at the time undergraduate studies were pursued. There is little indication in our four sets of data that ex-

[10] For preliminary reports on the Carnegie study, see Lipset and Ladd, ". . . And What Professors Think," in *Psychology Today,* 4 (November 1970), pp. 49-51, 61; and "The Divided Professoriate," *Change,* 3 (May-June 1971), pp. 54-60.

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posure to the radical-liberal politics which prevailed at many universities in the 1930's left its mark on the student body as a whole so that they held distinctive liberal-left orientations in succeeding years.

These findings apply to the mass of a given cohort, not to the small core group of committed activists who emerge in periods of intense politicization, such as occurred during the 1930's and again in the latter half of the 1960's. Studies of extremist political movements in many countries indicate that a major segment of their leaders and activists were first recruited as undergraduates. Relatively few highly educated radical leaders joined as mature adults. Often a given college generation has been noted in revolutionary history for having contributed leaders of specific movements. Hence, though the mass of politicized students reverts to passivity or moderation in response to its postgraduate experience, generation-units of leaders may continue to reflect the lessons of their student days. (Some former young radicals, both Stalinist and anti-Stalinist, have appeared in recent years as prominent faculty supporters of campus activism at schools such as Berkeley, Columbia, Harvard, and MIT.)

If past American experience is any guide, however, it is likely that as a cohort those who experienced the radical and activist campus politics of the late 1960's will not continue in the distinctive frame of mind which they now show. Colleges are encapsulated communities. Their students are abruptly removed from the constraints of parental experience, and placed in an environment in which peer group pressures are especially intense and pervasive. For four years they inhabit this world apart, a remarkably homogeneous and unstratified society. After graduation, however, most—even today when the absolute number rejecting a "careerist"outlook is far greater than ever before —reenter the highly differentiated larger society and take part in middle-class life in job, family and community. The intellectual legacies of the college years are by no means all lost, but the intense pressures of the encapsulated community which make for the distinctive and wildly fluctuating character of student political opinion are for most removed as abruptly as they had been introduced.

One major distinction, however, should be made. To say that as they grow older alumni become more moderate, less committed to the support of current proposals for major change, than they were in their college years does not mean that they necessarily become more conservative in any rigid policy sense. The crucial point is that the shift is *relative*: They become more moderate, *as against* an earlier position closer to the extreme. But though relatively more conservative, they may remain as liberal in terms of the issues dominant in

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their college years. This results from a second, perhaps more important fact: While *each* college generation seems to go through the same process, any given later generation will have started at a more liberal or left position than the preceding one. In short, the *historical slope* of political attitudes among American college generations (as among Republican presidents) has been toward a more liberal position over time. So, even if the 1960's generation becomes more moderate, it, like earlier ones, is still likely to end up at a point further to the "left" than its predecessors, and to the "right" of its successors.

There are, however, two new factors to be noted: size and cultural alienation. The college population of the late 1960's was approximately seven times as great as that of the 1930's (seven million compared to one million), which means that an equally small percentage (say 5) of committed radicals would add up to 350,000 instead of 50,000 persons. The left-inclined students, dropouts and alumni are now numerous enough to sustain a wide variety of counter-culture institutions, including "free schools" for their children, communes, the "underground" press, and the like. Those who have graduated in recent years, and who are "alienated" from the larger society, may find a home in encapsulated communities composed of others like themselves.[11] Hence, the radical or counter-culture community of the 1970's may turn out to be more supportive of renunciatory views than the environment experienced by graduates

[11] Some indication that a strongly supportive social environment will help maintain views formed in college is suggested in a study of Bennington College students of the classes of 1938-40, who had been intensively interviewed as undergraduates, and then restudied in 1960-64. The original analysis had documented the fact that at Bennington, then a new, very small experimental college with a young and very liberal faculty, the large majority of the students had become increasingly liberal in their political opinions. Two decades later, they seemed to have retained their liberal political orientations; two-thirds "reported participating in at least one 'liberal cause' or 'liberal' organization." The radicals among them may have changed more than the liberals. Thus out of 91 respondents who listed party references in 1960, nine had been Socialists or Communists in 1938. All had shifted to a major party, eight Democrats and one Republican. More interestingly, four out of these nine student radicals were *above the median* on an Index of Conservatism administered in 1960. Seemingly, however, the pulls of career, family, and high social status had not conservatized the group of liberal women, though the vast majority were married to men with a high income and/or professional position. There is some indication that as a highly politicized group, many of them chose a post-collegiate environment which supported liberal views, particularly with respect to choice of husband and friends. "Those who were able to maintain attitudes similar to the ones with which they left college were, by and large, women who lived in social environments which supported these attitudes, and those who changed their attitudes since college were primarily individuals who associated with others who had different opinions." See Theodore M. Newcomb, Kathryn E. Koenig, Richard Flacks, and Donald P. Warwick, *Persistence and Change* (New York: John Wiley, 1967), pp. 24-25, 35, 53, and *passim*.

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of the 1930's. But the overwhelming majority of recent graduates who had moved to the "left" during their college years will surely not live in communes, or choose to drop out of society and be downwardly mobile.

The future politics of today's students will, of course, reflect larger movements in American political culture, and aging will not necessarily be accompanied by "conservatizing" in any *fixed ideological sense* of the term. But whatever the prevailing political climate in the United States in 1980—short of some catastrophic set of events —the college cohort of the late 1960's will be *relatively* less receptive to the dominant social change-directed thrusts of the day, and in that sense more moderate or conservative than its succeeding cohorts in academe. In so far as we can generalize, Aristotle's emphasis on the moderating effects of growing older turns out to be more predictive than Mannheim's theory of the long-term consequences of the early political experiences of "generation-units."

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REVIEW ESSAY

Power in America

RICHARD A. POSNER

WHEN you pick up a book entitled *America, Inc.* and subtitled "Who Owns and Operates the United States," and the first sentence of the publisher's blurb is, "This well-documented exposé reveals the incorporated rulers of the United States and, indeed, much of the world," you may suspect that the New Left has struck again. When you then read Ralph Nader's introduction lamenting that "there is no list of the ten most wanted corporations," you are likely to be confirmed in your suspicion. But you will be wrong. The packaging of *America, Inc.* may reflect the tone of shrill and lacerating self-criticism that today characterizes so much discussion of American society, but the body of the book is the product of a much older current in social criticism: the Populist-Progressive-second New Deal attack on big business.

This current has ebbed and flowed. Its ebb periods have sometimes been marked by enormous complacency about the performance of American business, as in David Lilienthal's 1952 work, *Big Business—A New Era.* Its periods of full flow give rise to books like *America, Inc.*, the work of Morton Mintz, a Washington journalist, and Jerry S. Cohen, a former staff lawyer for Senator Hart's (earlier Senator Kefauver's) Senate Antimonopoly Subcommittee. Popular rather than academic, the book deploys academic work effectively (which is not to say honestly)[1] in support of its theses. Covering much the same ground as the simultaneously published Nader Report on Antitrust,[2] it surpasses the Nader Report in style, scope, brevity, and impact. But a careful reading of the book suggests that the tradition it celebrates is largely bankrupt.

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[1] The authors never cite opposing positions and are none too scrupulous in their search for supporting authority. An economic study by the FTC's staff on which they heavily rely was characterized by a well-known economist, Paul MacAvoy, as follows: "The staff went away with Commission resources and brought back 'new research' that cannot meet minimum economists' standards for constructing analytical arguments and testing those arguments against statistical materials. The Federal Trade Commission and the Senate Committee now have a book that would certainly be rejected for publication on grounds of insufficient art as a treatise and insufficient science as a research report." (1970 *New York State Bar Association Antitrust Law Symposium*, p. 55.)

[2] *The Closed Enterprise System.* See my review of the Nader Report in the June 26, 1971, *New Republic.*

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The prologue presents a series of vivid vignettes of corporate misconduct. We read about the auto manufacturers' indifference to economy, safety, and environmental values; the pharmaceutical industry's pushing of dangerous and worthless combinations of antibiotics; the backwardness of the steel industry; influence peddling by newspaper owners and oil magnates; packers' lobbying against efforts to limit the amount of fat in hot dogs; the International Telephone & Telegraph Corporation's attempt to intimidate newspaper reporters; and much else along this line. Interspersed among the vignettes are frequent reminders of the large size of many American corporations. A relationship between misconduct and corporate size is insinuated, and gradually one discovers that this is to be the theme of the book. One reads on and upon finishing realizes that the prologue *was* the book, in microcosm. Subsequent chapters both furnish additional examples of misconduct and harp constantly on corporate size; but they never elucidate the connection.

HUGE corporations are a characteristic of the American economy, as of the economies of other industrialized nations, but the significance of this fact is not self-evident. The basic datum for the authors is that 200 corporations own two thirds of the assets used in manufacturing in the United States; they restate it as, "two hundred corporations control most of the economy." But manufacturing cannot be equated with "the economy"; to make this equation is to ignore the vast service and distribution sectors, utilities, government, and agriculture. Nor can the holding of a given percentage of aggregate national manufacturing sales or assets be equated with "control." If the 200 largest corporations all operated in all markets every market would be highly competitive, and no firm would be in "control." They don't, and many markets are highly concentrated, in the sense that a few firms make most of the sales. But this problem existed 70 years ago when the number of giant corporations was far fewer than today; in fact, it may have been worse because of poorer transportation, which tended to insulate local sellers from competition.

When Mintz and Cohen turn to the specifics of corporate misconduct, it soon becomes clear that whether manufacturing is dominated by 2 or 200 or 2000 companies is of precious little significance. For example, they discuss at length the impact that common ownership of a community's major news media (television and newspaper) can have on the public's access to a diversity of viewpoints. Here is a problem of neither manufacturing nor bigness. The firms involved are not giants. Indeed, one can plausibly argue that the magnitude of the problem is in inverse proportion to corporate size. The managers of a large, publicly-held corporation will find it difficult to identify issues on which a partisan stand would not offend large numbers of shareholders—a constraint not shared by closely or family-owned concerns, which tend to be small. So it is not surprising to find that most instances of prejudiced or distorted reporting have involved small or family-owned newspapers, magazines, and radio or television stations.

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THE authors devote much attention to the inadequacy of the criminal penalties for "white-collar crimes" such as price fixing and willful violation of safety regulations. The penalties are indeed inadequate, often ludicrously so; but it is hard to see the hand of the 200 largest corporations in this. It is not so much big businessmen as doctors, other professionals, farmers, and self-employed small businessmen who flout the income-tax laws with little risk of severe punishment. Antitrust violations are punished lightly whether the culprit is a small firm or a big one. It is quite true that society tends to punish the crimes of violence characteristically committed by poor people more heavily than business crimes; but the authors offer no evidence that the crimes of big businessmen are more immune to punishment than those of small businessmen. A better point is that powerful interest groups—sometimes but not always "Big Business"—can often persuade Congress or state legislatures to legalize conduct that remains illegal to groups with less political influence.

High on the authors' list of corporate misdeeds is pollution. It has nothing to do with concentration or bigness; it is on another axis altogether. Were there 100 firms, all small, making autos, each of them would still lack an incentive to build in anti-pollution equipment, because none could persuade the average, selfish consumer to pay for equipment providing him no measurable advantage. Indeed, the more competitive an industry, the harder it will be to persuade its members to spend money on reducing pollution, because any firm that does so is vulnerable to being undercut by a competitor who decides to forego such expenditure. Far from being a problem peculiar to big business, pollution is not even a problem peculiar to business. Our municipally-owned sewage systems and airports are responsible for a great deal of water and noise pollution.

Much of *America, Inc.* is devoted to documenting the manipulation of the political process by corporations. It is a disheartening and, on the whole, true story. Not only do industries obtain all sorts of unmerited benefits from the government, but they are able to twist attempts to regulate them into protection against competition. The result is that government subsidizes business on a vast scale. But the problem is not especially one of big business. The shoe industry has long enjoyed tariff protection; the auto industry—until President Nixon's August economic measures—did not. Agriculture—which isn't even part of the economy to our authors—is the most extensively subsidized industry in the United States, and probably with the most pernicious consequences. These include high food prices in the United States and drastically impaired export income in underdeveloped countries for which the United States, in the absence of tariff barriers designed to protect domestic production, would be a natural market. The Federal Trade Commission was for many years the champion of food brokers, auto-parts jobbers, retail druggists, and a host of other unworthies, none from the ranks of big business. The Commission conceived its mission, in fact, to be the protection of the small businessman from Sears Roebuck, A&P, and other large retailers—to the detriment of the consumer. In these and many other

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respects, small business, not to mention professionals and many workers (usually the better off), has supped richly at the same trough as big business.

HAVING blamed the large corporation for so much else, it is not surprising that the authors should also blame it for inflation. But their argument is unconvincing. They assert that colluding firms, in order to maximize profits, will often raise prices in the face of declining demand; but this will occur only under special conditions. Mintz and Cohen assert that competitive firms are more likely to absorb an increase in their costs than firms that enjoy excessive profits. Assuming that firms are profit maximizers, as do the authors emphatically in this part of the book, if a cost increase affects all of the firms in a competitive market, they will usually absorb less of the increase than if the market were monopolized. Even if the economic propositions advanced by Mintz and Cohen were correct, however, it would hardly follow that large corporations were important factors in causing inflation. And in any case, the propositions relate to the condition of competition in particular markets rather than to the overall concentration of the nation's manufacturing assets.

If the authors' diagnosis is bad, the cure prescribed is worse. Their major (and only novel) recommendation is that the federal government take over the function, now exercised at the state level, of issuing corporation charters, and that it use this power to confine firms to particular lines of business and force them to behave in a socially responsible fashion—a concept which they do not define. General Motors "would be permitted to make automobiles—but not to make locomotives, refrigerators, or any other unrelated product." Manufacturers of refrigerators would welcome the exclusion of such a competitor. The proposal would drastically limit competition and new entry throughout the economy. It would also create a supervisory apparatus unmatched in size and complexity anywhere outside the Soviet Union. All the regulatory powers of government would be drawn into the new chartering authority, which would have plenary power over corporate decision making. The authors devote barely six pages to explaining and justifying this breathtaking proposal.

America, Inc. fails as a work of serious analysis. (That is not to deny that it may be influential.) To read it closely is to be continually astonished at the human capacity to embrace contradiction. When the authors wish to stress the rapacity of the corporation, they state categorically, "In the circumstances of giant corporations profits must be maximized." When they have difficulty explaining why there are so many large mergers that seem to them inefficient, they assert, "the primary motivation of a corporation should be to earn as much money as possible. But corporations are not always motivated by economic laws alone."

PERHAPS, though, I am applying inappropriate standards of judgment to a spirited polemic. The giant corporation may be intended merely as a metaphor for the failure of American business to

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perform as its uncritical apologists would have us believe it performs. And failure there is, although our authors have done nothing to elucidate its basic causes. I would distinguish four:

1. Any system as immense as American business will produce innumerable errors and abuses, regardless of the principles of its organization. The weakness of proof by anecdote—the only method of proof found in *America, Inc.*—is that it cannot differentiate between the inevitable margin of error in human operations and remediable malfunctions. The crucial question, never addressed by the authors, is the *representativeness* of their anecdotes.

2. Left to itself, a competitive free enterprise system tends to go off the track in two places. First, competitors have an incentive to conspire among themselves to eliminate competition, and this will reduce the efficiency of the system. We need vigilantly administered antitrust laws to prevent this from happening; we have the laws, but not the vigilant administration—a social failure about which Mintz and Cohen are surprisingly reticent. The problem is not one of bigness: The feasibility of conspiracy depends on conditions in the particular market, a matter related tenuously if at all to the size of the 200 largest corporations.

Second, the prohibitive cost of organizing markets in certain resources leads to serious misallocations. Suppose rivers have two uses: waste disposal and recreation. If factories are given the right to use rivers for waste-disposal purposes, they will pollute more than is socially desired, because it is impractical for the multitude of recreation users to get together and purchase rights to unpolluted water from the factories. Unfortunately, the converse is also true. If recreation users are given the right to enjoy unpolluted rivers, factories that suffer a drastic fall in production when forced to substitute a more costly method of waste disposal will find it impractical to purchase rights to pollute from the dispersed multitude of recreation users. The result will be rivers devoted wholly to recreation, and overall social welfare will be reduced. This symmetry makes the problem of pollution resistant to easy solutions, such as outlawing pollution or reallocating property rights to the environment from industry to other groups. But it is not a problem of monopoly.[3]

It also has nothing to do with the scale of the enterprises that compose the economic system. If pollution is a more serious problem today than it was 70 years ago (a less obvious proposition than it sounds), it is because the production of goods and services, of which pollution is an unwanted by-product, is so much greater, and because our perception of the hazards of pollution has become more acute—not because there are fewer firms. And anyone who thinks giant corporations are likely to be especially effective in warding off public control of pollution would do well to ponder the relative

[3] As already noted, competition actually aggravates the problem. Furthermore, the output of a monopolized industry is smaller than if there were competition, because the monopolist limits his output in order to force up the price; therefore the amount of pollution, an industrial by-product, will also be smaller.

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success of the highly unconcentrated coal industry and the concentrated auto industry in forestalling effective safety regulation.

3. Even where the market operates perfectly within its own terms, the results may be hard to stomach. "Consumer sovereignty" connotes a market guided by the wants of consumers, aggregated according to their willingness to pay. Highly-educated people often abhor the tastes of the masses. They cannot admit this, even to themselves, because they are good liberals committed to a democratic and egalitarian conception of society; but it is otherwise difficult to explain their obsessive concern with such things as ornamental bumpers. If the cost of repairing an ornamental bumper exceeded the pleasure that the car owner obtained from it, one would expect the car manufacturers to discontinue them. They cannot make money selling people products they don't like.

4. The ugliest aspects of corporate behavior are a product of the structure of government in a democratic society. Like everyone else businessmen seek to manipulate their environment, and nowadays government dominates the environment of many businesses. The tradition of governmental non-interference in the operation of the market is dead. Government is omnipresent—regulating, subsidizing, allocating—and it is highly susceptible to manipulation by well-organized groups (which are not necessarily big-business groups). It is in the nature of democratic (and perhaps of any) government that a numerous, durable, articulate, and focused interest group, able to organize financial and field support for political campaigners, to propagandize, to draft and shepherd bills through legislatures, to maintain continuous contact with regulatory officials, and to mobilize voters, will wrest privileges and benefits from government and thwart efforts to control its behavior. Consumers, citizens, taxpayers constitute too diffuse and amorphous a group to compete in this league.

The susceptibility of government to manipulation reacts upon the problem of monopoly with devastating consequences for the public welfare. Price-fixing conspiracies are inherently fragile, both because members have an incentive to cheat and because the profits generated by a successful conspiracy attract new entrants into the market who bid prices back to the competitive level. If the conspiracy can get government backing, these sources of weakness can be overcome, as they have been in many cases. Air transportation, trucking, railroads, maritime shipping, and stockbrokerage are some of the industries in which government control of rates and entry has been used to solidify cartel pricing.

The larger the role of government in the economy—and the authors of *America, Inc.* propose a most dramatic and far-reaching expansion—the worse the problem of public powers employed for private ends will become. This would be so, I would predict, even if their measures succeeded in curbing the very large corporations. Experience shows that organizations of small firms or even of individuals are potent manipulators of government. Consider farmers. Consider retail druggists protected from price competition by fair-

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trade laws and from chain store competition by the Robinson-Patman Act. Consider taxi owners, the price of whose medallions equals the capitalized profits from participation in a lucrative government-protected monopoly. Consider doctors, who by control of state licensing standards have created the artificial scarcity of doctors that is largely responsible for the extraordinary cost of medical care in the United States.[4]

It is by no means clear that the continued growth of very large corporations would make matters worse. Especially if that growth took the form of expansion into different product markets—as via conglomerate mergers—we should expect to see growing internal conflicts of interest that would inhibit the corporation's ability to speak with a single and clear voice on matters of governmental policy. Does the firm that owns a steel plant and a tractor plant support, or oppose, a tariff on imported steel?

THE vogue of books like *America, Inc.* is a contemporary phenomenon, but the book itself is dated. There are the now obligatory references to blacks, women, and youth, but they are merely perfunctory. The victims of business abuse in the world of the authors are the affluent Americans who buy books and rotary mowers and fancy automobiles and appliances. Poverty, racism, and imperialism are concepts wholly foreign to a work that, despite its occasionally strident tone, is tepid in its implications for the distribution of wealth and power in American society. The monopolistic aspects of labor and farm legislation are ignored with a wholly old-fashioned piety. *America, Inc.* thus illustrates an interesting fork in the current stream of social protest literature concerned with the economic organization of American society. On the one hand, there is the old Populism—hardly even warmed over—of Mintz and Cohen; on the other, there are genuinely radical works such as Gabriel Kolko's *Wealth and Power in America.* Kolko's preoccupation is with the relative shares of the national income possessed by different income classes. His theme is that America is a class society, marked by great and growing inequality in income. His confident prediction is that the disparity between wealthy and poor in America must continue to grow.

Kolko emphasizes concentration of corporate control as one of the grounds for his conclusion that America is an oligarchy. But despite the manifest relevance of his charges to the themes of *America, Inc.*, its authors nowhere allude to them. A Marxian critique is wholly foreign to the intellectual world of Mintz and Cohen, who have borrowed from Marx—doubtless unconsciously—only the fallacious notion that the distribution of goods is somehow less important than their production.

It is a mistake to ignore Kolko, but it would be a greater mistake to accept him. His use of statistical materials is highly tendentious.

[4] A related factor in jacking up prices has been the discouraging of new methods of providing health care, such as group practice or greater use of non-physicians in prevention and treatment. This also can be attributed to the organized medical profession and its domination of state licensing standards.

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In asserting that the distribution of income is no more equal today than it was in 1910, he ignores both the lack of reliable statistics upon which to base an estimate of income distribution in the early years, and the careful studies of economists such as Selma Goldsmith that show a marked diminution in the inequality of income since 1929 (albeit concentrated in the period 1939-45).[5] Furthermore, although Kolko places much of the blame for the inequality of American society on specifically American conditions like racial discrimination, the distribution of income in nations lacking these conditions, and much further down the path of socialization (e.g., Sweden and Great Britain) appears to be quite similar to America's.

More importantly, Kolko never justifies the use of income-distribution figures as a meaningful criterion of social justice. The wealthiest 5 per cent of the nation receive 20 per cent of the national income, and the poorest 20 per cent receive only 5 per cent of the national income; but what ethical principle requires the equalization of incomes? Perhaps it is more important to inquire how particular disadvantaged groups are faring over time in relation to the mean. The question of social justice centers on such groups—not on colorless abstractions, like the eighth income decile—and on the rate and direction of changes in their position over time—not on static figures of income distribution. During the 1960's the poor and, less clearly, the blacks made long strides, despite Kolko's confident assertion that things would get worse.[6] Nor has Kolko, any more than Mintz and Cohen, been able to demonstrate the connection between corporate size and any specific social problem.

Yet in an important respect Kolko and other radicals are more clear-sighted than the authors of *America, Inc.* Realizing that problems such as the subornation of political processes by interest groups are organic to the society, they are properly skeptical of wave-of-the-wand reform suggestions like federal chartering. The radical critique points to a real dilemma: The very democratic structure that we so highly—and rightly—prize facilitates the plundering of taxpayers and consumers by interest groups able to use the powers of government for their own ends. The problem is much larger than the 200 largest corporations.

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[5] For a useful corrective to Kolko's partial reading of the statistical evidence see the papers in Part II of *Inequality and Poverty* (Edward C. Budd, editor, 1967).
[6] In the book itself (1962) and in a February 1964 preface to a subsequent printing.

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CURRENT READING

Truancy

In the vigorous discussion of public schools which is carried on today, one of the most neglected variables in poor student achievement is the high and rising rate of absenteeism. The figures are quite startling. In New York City, where the problem is most severe, many schools report average daily absentee rates of over 50 per cent. A recent survey of 19 big cities shows that 11 have schools with rates of more than 20 per cent and only two reported any schools with a rate of less than 14 per cent. There also is evidence that what was once an exclusively urban and lower-class phenomenon is now spreading to other social strata and to the suburbs.

Bad as they are, the statistics understate the seriousness of our truancy problem in a number of ways. A recent study of the situation in Philadelphia found that the high absentee rates reflect irregular attendance by a very large number of pupils rather than consistent absenteeism by a more limited hard-core group. Moreover, there is a massive cutting problem which is not adequately reflected by overall attendance statistics; a recent survey found that in a school with an absentee rate of 29 per cent, the average absenteeism in a sampling of *classes* was over 40 per cent. Attendance statistics are also skewed by the fact that a morning absence is counted as a half absence in spite of the fact that most serious academic subjects are taught only in the morning. In addition, most teachers and principals have incentives to under-report absenteeism.

Poor attendance is not a new problem. The same Philadelphia study reports that about a third of the 10th, 11th, and 12th graders had missed more than 20 days—or about one out of nine school days—when they were in first grade. And chronic absentees do not necessarily drop out. As a result, the 10th, 11th, and 12th grades have higher absentee rates than lower grades.

Increasingly the schools are unable to compel student attendance. Recent court decisions on the rights of juvenile defendants have made it practically impossible to punish absenteeism; as a result, compulsory attendance laws are now merely compulsory enrollment laws. Within schools students are not receiving recognition for good

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attendance, and "social promotions" are often given to students with dismal attendance records. In a recent year nearly 50 students in one Philadelphia high school were promoted despite the fact that they had a perfect record of non-attendance. At certain times of the year attendance falls nearly to zero. During the last week of school, less than five pupils were in attendance in most classes.

Absenteeism of this magnitude radically debases the education process. It lowers morale, distracts teachers, and harms students who do attend no less than those who do not. It may even be associated with rising illegitimacy rates. The Philadelphia study found that many girls became pregnant while truant—there is more privacy at home during the day, when parents are working.

The Sell-a-Dollar Game

We all know of situations where individuals are "locked" into a conflict situation and find it difficult to get out. Game theorists have produced some paradoxical models of what happens when one is "locked-in," and of these none is more fascinating than the "sell-a-dollar" game which was first spelled out by Martin Shubik of Yale. The game is described by John R. Platt of the Mental Health Research Institute at the University of Michigan, who then draws some analogies, perhaps oversimplified, to international conflict behavior. The game itself is a sociologist's delight:

> In this game, I may offer to liven up a dull party by auctioning off a dollar. You may say, how silly! A dollar is worth a dollar, and I would be foolish to sell it for less, and you would not offer me more. I agree, so I say I will set up four simple rules for this auction, just to keep the game interesting. The first rule is that bidding must start at a nickel. The second is that it must go up by five cents at each step. The third is that bidding cannot go over $50. Everyone laughs and says, how absurd! The fourth rule is that because I am selling the dollar I want to keep from being cheated too badly, so I will ask both the highest bidder and the second highest bidder to pay me their bids, but only the highest bidder will get the dollar.
>
> So the bidding begins—5 cents, 10 cents, 15, 20. At this point you may get a sinking feeling that there is no place to stop. The first "moment of truth" comes when you pass 50 cents. Your friend has bid 50, and you have bid 45—and you realize that if you raise to 55 cents, I will then get back more than my dollar. But if you do not, you will lose 45 cents yourself. So you raise. The second moment of truth comes when your friend has bid one dollar, and you have bid 95 cents. Now, if you raise to $1.05, you will actually be losing 5 cents if you win—and yet if you do not, you will be losing 95 cents. So you raise.
>
> At this point in such a game, I can just lean back and watch you guys clobber yourselves to death. The ceiling is limited only by your total cash or by your fury with yourselves. The $50 limit is not absurd. This is obviously a dangerous game to play with real money, and I would never play it, because anyone who does will surely lose his family and his

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friends. But it has been played in the laboratory in simulation experiments, and the bidding has gone to over $3.00 before they called it quits.

The reason for describing this game in such detail is that it is the prototype of many social entrapment situations, such as drug addiction. It seems to be so amusing and attractive at the beginning, with little risk, and yet as it goes on, it becomes harder and harder to back out, even though you are losing everything and you know it.

And this game is also the prototype of the arms race. . . . These governments go on escalating the bidding against each other up and up, $10 billion at a step. And neither one feels that he can back out at any point, even though they know they are losing more money all the time.

The important thing about such analyses is that they may begin to show us how to get out of such entrapment situations. . . . Once anyone has begun to be trapped, we see that it may still be possible to make a side agreement with the other bidder, for mutual advantage. At 20 cents, you may offer to let him take the dollar if he will split it with you—and if he has the brains to do this, you may both make a profit. A side agreement something like this is represented by the Atmospheric Test Ban Treaty, which the United States and Russia agreed to in 1963. Because of this, we all have less radioactivity in our bodies today, and it has been of mutual advantage to everyone.

Hiring Quotas in the University

Since November 1969, the federal government has been engaged in an active effort to increase the proportion of blacks and of women employed by universities in the United States. Thus on December 5, 1970 the Department of Health, Education and Welfare specified to the University of Michigan that, as a condition of its receipt of federal grants, it show a "ratio of female employment in academic positions . . . equivalent to their availability as evidenced by application for employment for these positions." The United States Department of Labor has taken similar action in regard to Negro, Oriental, American Indian, and Spanish-surnamed Americans by informing universities that "affirmative action" has to be taken to increase the proportion of such persons in university positions.

But what happens in a university when such effort conflicts with the criteria of merit and achievement for academic posts? It may well lead to the decline of the university. So argues Edward Shils, one of the most astute observers of the academic world, in an editorial in *Minerva*, a quarterly journal on science and learning which Professor Shils edits. In the April 1971 issue, he writes:

> The American Association of University Professors came to its present importance through its steadfast insistence that reappointments, promotions, and the honouring of contracts of appointment must studiously avoid concern with extra-academic criteria. The American Civil Liberties Union . . . stood firmly on the ground that academic appointments were academic matters and should be decided by the criteria of capacity and achievement in academic activities, *i.e.*, in teaching and research. They

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repeatedly asserted . . . criteria . . . such as political belief and affiliation, religious belief and affiliation, and social origins were abhorrent; they took for granted that sex, age, skin colour, and the ethnic derivation was not admissible either. . . .

This exclusion of non-academic considerations from academic appointments rested on two principles of liberal political belief: namely, the principles of individualism and pluralism. The first principle asserted that every individual must be judged on his own merits . . . [The second] asserted that institutions should be self-regulating within the limits of public safety and respect for the similar rights of other institutions. It stood in opposition to the dominion of church or state or a union of both of them over other institutions. The pluralist belief was the foundation of the argument for the separation of church and state and for the restriction of the powers of the government to enter into every sphere of life. . . . For a long time, like individualism, pluralism was accepted as part of the programme of progress.

All this is now changed, changed utterly but no terrible beauty is born. Instead there is a disorder of minds. Progressivism has jettisoned its association with individualism and pluralism. Individualism, although a central feature of the outlook of the Western world, has ever since the Hoover administration had a bad name among *bien pensant* American intellectuals. Pluralism has recently come under the same cloud of opprobrious ignorance. . . .

. . . Such are the cunning turns of reason that the movement which aspired to liberate man from the coils of his primordial-biological bondage restores him to them. For this is what the President's Order and the practices of the Department of Health, Education and Welfare is doing. They are in fact insisting that the universities introduce criteria of colour and sex into their appointive decisions.

To insist that appointment be made proportionately to the representation of a particular group among the applicants for a post requires that applicants of that particular group be favoured—assuming that there are applicants at all. If a department's composition must be made to correspond over an extended period to a composition markedly different, then for an extended period in the future, until the proportions become "right", there must be a disproportionate number of appointments made from the previously under-represented groups.

It is therefore the policy of the United States government to insist at least until the proportion of Negroes on the teaching and research staffs is the same as it is in the entire population of the United States, skin colour or ethnic derivation must become a criterion of appointment—in some cases the overriding criteria of appointment. (With regard to women, it is not insisted that the composition of academic staffs correspond to the proportion of women in the population but only that it correspond to the proportion of women "applicants".) Hence, unless it happens that over the next years Negro candidates and female candidates are in most cases better qualified for appointment by their past and prospective accomplishments than white male candidates the criterion of intellectual qualification will have to be put aside on behalf of ethnic, colour and sexual qualifications.

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It is scarcely likely that in the near future most Negro candidates will be better qualified than most white candidates. If this is so, and if Negro candidates are to be appointed in accordance with an "Affirmative Action Program" then the academic or intellectual qualifications will have to be placed in the shadow, for a time at least. But if placed in the shadow for a time, will they come out when that time is up? . . .

The Federal Government of the United States is not merely recommending the suspension of the only permissible standards of academic appointment, it has . . . announced that it intends to enforce that suspension. The situation is not irretrievable. It has not yet wholly broken the autonomy of the universities in their decisions on appointments. A wise and judicious interpretation of the regulations could still leave the power of decision and the criteria of academic appointment inviolate. The Department of Health, Education and Welfare can still confine itself to the application of its regulations to custodial, maintenance, secretarial and lesser administrative appointments. It is not likely to do so if the universities and the friends of the universities in politics and journalism do not proclaim day in and day out what is at stake. What is at stake is nothing less than the intellectual accomplishments of the American universities and all that flows from that accomplishment to the benefit of American society and mankind.

The Urban Dung Problem in Historical Perspective

Yet another urban problem has been discovered in New York City —the leavings of the city's half-million dogs, estimated at 110,000 pounds of dung and 2,000 or 3,000 gallons of urine per day. Publicists and press have responded with characteristic hyperbole. A campaign warning that "dog feces spread disease" has been launched by an organization called Children Before Dogs; the city's Environmental Protection Agency has drafted an ordinance to fine owners of littering dogs; an angry anti-dog crusader writes in the *Times* that "hordes of uncontrolled New York dogs pose a greater threat to city dwellers, young and old, than do the double parkers or the muggers."

New York's dogs unquestionably do cause inconvenience and danger to public health. Yet those who discuss the subject would do well to study the experience of American cities with a much larger "urban dung problem" in the not-so-distant past. In a note on this subject, Joel A. Tarr, Associate Professor of History and Urban Affairs at Carnegie-Mellon University and author of a forthcoming article on "The Horse—Polluter of the American City" in *American Heritage*, offers the following historical observations:

Sanitary experts in the early part of the 20th century calculated that the normal city work horse produced about 22 pounds of manure a day and more than half a gallon of urine. In 1900 New York City's approximately 120,000 horses produced over 2,500,000 pounds of "solid waste" a day, as well as about 60,000 gallons of urine! The dog problem shrinks in comparison! About 8,000 horse-drawn vehicles, many with teams of two

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or more horses, passed by busy corners such as Broadway and Pine during the course of a day. Locations such as these were hazardous to navigate on dry days and virtual cesspools when it rained.

Sanitation officers in 19th century cities were as concerned with the health dangers of animal feces as anti-dog crusaders are today. . . . Writing in *Appleton's Magazine* in 1908, Harold Bolce, in an article entitled "The Horse vs. Health," blamed most of the sanitary problems of New York City on the horse, and calculated that 20,000 New Yorkers died each year from "maladies that fly in the dust" created mainly by horse manure. New Yorkers, Bolce maintained, could no longer afford "the absurdities of a horse-infected city." Although Bolce's health calculations were exaggerated, horse dung did produce a sanitation hazard by furnishing a reservoir for disease spores and a breeding ground for germ-bearing flies, and, when ground up and blown by the winds, by irritating respiratory organs.

New Yorkers tried to cope with the manure problem in a number of ways. Early in the city's history the responsibility for street cleaning rested with the individual citizen, who was required to sweep the roadway before his door. In the first half of the 19th century the city tried to cover the cost of street cleaning by selling the manure as fertilizer; contractors, however, often neglected other forms of rubbish and only collected the salable manure. In the 1890's, Colonel George E. Waring, Jr., a self-taught sanitary engineer who believed that filth and dirt created disease, became New York's street-cleaning commissioner, and reorganized the department along military lines. Waring's "White Wings" with broom and cart became a familiar sight to New Yorkers, but even the efficient Colonel was unable to cope with the magnitude of New York's street-cleaning problem.

Overwhelmed by the sight and smells of horses and their droppings, New Yorkers welcomed the coming of the automobile with enthusiasm. As the *Scientific American* noted, here was a vehicle that left no litter. "Ban the horse from the city," became the cry—the automobile would solve the "dung" problem for all time.

But now comes the dog! "Banish him from the city," demand angry citizens; if one must have a pet, substitute a cat or a hamster or a bird. Require every dog owner to utilize a "Pooper Scooper" or pay a fine. How New York will solve its current dung problem is still unclear. Perhaps the experience of the horse and the automobile suggests a means to end the dilemma. The pet store of the future should offer for sale a mechanical dog—one that leaves no litter, barks only at strangers and which children can cuddle to their heart's content. To be sure, our mechanized "friend of man" may create, as did the automobile, new problems for the city, but these can be left for a later generation to deal with.

Problem Solving in Art and Life

No small part of the world's misery, pain, and disaster has come about as a result of life trying to imitate art. It was partly in recognition of this fact that Plato decided to ban poets from his Republic. Of course, Plato's strictures on poetry have long since been out of

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fashion—at least until recently. But in August, the FAA took a step which suggested that they may be enjoying a revival, as the following UPI dispatch, published in the Washington *Post,* indicates:

> The Federal Aviation Administration has asked television stations in 150 cities to refrain from showing "The Doomsday Flight," a film it believes has prompted a surge in telephoned bomb threats to airlines.
>
> "Our great concern is that the film may have a highly emotional impact on some unstable individual and stimulate him to imitate the fictional situation in the movie," FAA Administrator John H. Shaffer said in a letter to 500 TV stations which have been offered the film by distributors. . . .
>
> "Doomsday Flight," written by playwright Rod Serling and originally shown on network television in 1967, depicts a bomb hoax plot to extort money from an airline.
>
> In the film, a telephone caller says a plane is carrying a bomb set to detonate when the airliner drops below a certain altitude, and demands a ransom in return for information where the bomb is planted.
>
> The film was shown in Canada on July 26. On Aug. 3, in an incident that followed the "Doomsday Flight" script, a British Overseas Airways Corp. Boeing 747 flight carrying 379 persons from Montreal to London was diverted to Denver, when a caller said a bomb would explode if the plane dropped below 5,000 feet.
>
> The jetliner landed at Denver's Stapleton International Airport, which is 5,339 feet above sea level, but no bomb was found. The caller had demanded $250,000 in ransom.

For any TV-chiller addict, the diversion of the BOAC 747 to Denver had a special irony. In the movie, the airplane is over Nevada when the pilot learns that he may be carrying a bomb designed to detonate when he descends below 5,000 feet; he begins to fly a holding pattern over the desert while he and various people on the ground try to figue out a solution to this predicament; suddenly the pilot has a brilliant idea, heads his plane on a northeasterly course, and some time later, with only gallons of fuel left, manages to land safely at—Denver International Airport, 5,339 feet above sea level.

When life imitated art on August 3, the result was havoc and grave danger—but not, in the end, disaster. Sometimes, it would seem, the problems that art creates contain ready-made, built-in solutions, which are no less available to people in real life than to their fictional counterparts, and which are no less capable of bringing about a happy, if scary, ending.

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